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PROCEEDINGS

(*Revised*)

OF THE SELECT SPECIAL COMMITTEE

OF THE HOUSE OF COMMONS

TO INQUIRE INTO

AGRICULTURAL CONDITIONS

PART II

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1924

TABLE OF CONTENTS

Pages

Members of Committee v

Members of Sub-Committees v

Orders of Reference vi

Reports of Committee.. .. .. vii to xxiv

Minutes of Proceedings .. .. xxv to lxii

Agenda.. lxiii

List of Witnesses lxv

List of Exhibits.. lxvii

Minutes of Evidence .. .. 1 to 1832

Exhibits printed as Appendix to Evidence.. .. .. 1833 to 2193

Index to Evidence, etc... lxviii

MEMBERS OF THE COMMITTEE

A. R. McMaster, *Chairman*

Bouchard, Georges	McMurray, E. J.
Caldwell, T. W.	Milne, Robert
Clifford, L. O.	Munro, E. A.
Elliott, William	Robinson, E. W.
Gardiner, Robert	Sales, Thomas
Grimmer, R. W.	Sinclair, Hon. J. E.
Hammell, W. J.	Stansell, J. L.
Lanctôt, Roch	Sutherland, Donald
McKay, Matthew	Tolmie, Hon. S. F.

S. R. Gordon, Clerk to Committee

SUB-COMMITTEES

Production.—Messrs. Bouchard (Chairman), Grimmer, Munro, Elliott and McMurray.

Marketing.—Messrs. Tolmie (Chairman), Caldwell, Milne, Hammell and Clifford.

Relative Prices.—Messrs. Sales (Chairman), McKay, Robinson, Stansell and Sinclair.

Rural Credits.—Messrs. Gardiner (Chairman), McMaster, Sutherland and Lanctôt.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
COMMITTEE ROOM 268,
MONDAY, APRIL 30, 1923.

The Special Committee appointed to inquire into Agricultural conditions throughout Canada met at 10 a.m., Mr. McMaster, the Chairman, presiding.

The CHAIRMAN: I have before me, gentlemen, a letter from the Edmonton Board of Trade, advising us that a delegation representing them will be in Ottawa on the 7th and 8th of May, to interview the Government, and that while here, they would like to have a representative heard before us. I think we had better give instructions to the Secretary to communicate with the Secretary of this Board of Trade, who is Mr. John Blue, and tell him that we will be very glad to hear them.

Mr. ELLIOTT: I have had a communication from one of the shoemakers who fixes prices to the retailers. He has a factory in my constituency, and he is very anxious to place before this Committee the reason why he fixes prices to the retailer. He has figures as to the cost of production, which I think would be interesting, and I would suggest that he be notified to appear. He is one of the Hurlbut Shoe Company.

The CHAIRMAN: We would be very glad to have him come.

Mr. CALDWELL: Mr. A. Neil Maclean of St. John, New Brunswick, is to appear before the Committee on Banking and Commerce, and I would like to have him appear before this Committee on the question of rural credits. He is a man of wide banking experience and could give us some valuable information on that subject.

The CHAIRMAN: We will be glad to have him.

Mr. ELLIOTT: Is it the intention of the Committee to have Mr. Farrow appear before us on the question of rural credits? He is Chairman of the Ontario Agricultural Development Board.

The CHAIRMAN: I will instruct the Secretary to call him.

Mr. MCKAY: I would like to have a representative of the Massey-Harris Company appear before this Committee.

Mr. SALES: I have a letter from the Board of Grain Commissioners of Canada asking that a few corrections be made in the report they sent in. I would move it be printed if possible, on the last sheet of one of these copies. Mr. McKay will second it. There are a few corrections in the grain report. We have also received prices of pork and beef. He may have those included in the report.

The CHAIRMAN: In the printed proceedings.

Mr. SALES: Yes. Those are wholesale prices, because it states their travellers are authorized to have the price if necessary to give accommodation.

The CHAIRMAN: Here is a letter from the shoe manufacturers saying they will be ready at 10.30 to-morrow.

The Clerk of the Committee was ordered to have the above mentioned charts and information printed as an appendix to the report.

The CHAIRMAN: In order to be absolutely fair to all interests, we send the evidence to the people whose conditions are more or less criticised and we give them an opportunity to come before the Committee to explain their side of the case. If these people do not want to come it seems to me we should let the matter stop there. We have not time to make an investigation of the business of people who do not want to come and place their views before us. I do not think we should summon them.

Mr. CALDWELL: Unless we have some object in finding out more about their business.

Mr. MILNE: It seems to me that it is the conditions we want to find out. If we lay the conditions before the Government, it seems to me it is perfectly right that we should go to work and see if there is anything wrong with the way in which these people do their business.

Mr. SALES: If somebody had given an unfair representation of the conduct of my business, I should be here to defend myself.

Mr. MILNE: If those manufacturers wish to come, they can do so, but until they express the desire I think we should let the matter rest.

The CHAIRMAN: If we were going to make an investigation of the tariff, we would require to sit for a year and devote our attention to nothing else. Where the tariff is incidentally referred to as a burden to our agricultural community, we take note of it; we also, animated by a spirit of fairness, give those whose business is criticized, an opportunity to be heard. I doubt if we should go much further than that.

Mr. SALES: If you do you will never get through.

Mr. GARDINER: There is just one point I would like to call to the attention of the Committee. We had a tariff inquiry in 1920. As far as I know, that report has never been available.

The CHAIRMAN: No, it has never been placed before the members.

Mr. GARDINER: If you need any information there is no doubt we could get a lot of information from that report.

Mr. MCKAY: Where is it, in cold storage?

The CHAIRMAN: It is in cold storage.

Mr. CALDWELL: Why not ask on the Orders of the Day if this report could not be brought down. As Chairman of the Committee you could very logically ask for that.

Mr. ELLIOTT: I would like to see it.

Mr. GARDINER: I will make that motion, seconded by Mr. McKay, that the Chairman be instructed, on the Orders of the Day, to draw the attention of the Government to the fact that the Drayton Tariff Commission has never reported, and that the report should be available to the members of this Committee and also to the members of the House.

Motion agreed to.

The CHAIRMAN: As to the question of rural credits, we are going to call Mr. Farrow and Mr. Maclean.

Mr. GARDINER: In connection with this rural credit, we have Mr. Ward, the Secretary of the Canadian Council of Agriculture, who has quite a bit of information in this line, and I would suggest we hear him.

Mr. MCKAY: Is he here now?

Mr. GARDINER: Yes.

The CHAIRMAN: I think we will now start hearing witnesses. I will ask Mr. Martel to appear first, because he wants to get away, and his examination

will not be long. If you will remember, early in our sessions, when Mr. Duncan Campbell was before us, he brought before us certain figures which might be interpreted as meaning that the ship liners in Montreal were asking pretty high remuneration for the work they were doing, and as our custom is to give that information to the ship liners trades union, or the trades union with which the ship liners are associated, they have sent this morning to give their side of the case to the Committee, Mr. Arthur Martel, who is here. We will hear what Mr. Martel has to say now. Voulez-vous venir ici. Est-ce que vous parlez en anglais?—A. Je parle tous les deux.

ARTHUR MARTEL, called and sworn.

By the Chairman:

Q. What is your business?—A. I am the Canadian representative of United Brotherhood of Carpenters and Joiners of America.

Q. Are the ship liners of Montreal affiliated with your union?—A. Yes. They have a charter from our organization. They are known as Local Union 2098.

Q. The wages paid to the ship liners was brought before our Committee early in our session, Mr. Martel, and as our custom is, we sent this evidence to your union, so that if there was anything you wished to say in connection therewith, an opportunity might be afforded you to do so, and you are here this morning to take advantage of this opportunity. If you have any statement to make, you might make it, and we will question you, if there is any need for it.—A. Yes, before starting, I want to apologize to this Committee for not complying with your request. I received a notice that you would be kind enough to hear me this morning, on Saturday afternoon, and therefore I thought there would be no use sending you a telegram that I was coming here this morning, thinking that you might not receive the message before I got here. With regard to the wage question of the ship liners of the Port of Montreal, I have here an agreement that was signed between our organization and the shipping companies, generally called The Shipping Federation of the Port of Montreal.

EXHIBIT No. 108

MEMORANDUM of Agreement made this Fifteenth day of August, 1922,

—BETWEEN—

The Anchor-Donaldson Line, Limited; Cairn-Thomson Line; Canada Line; Canada Steamship Lines, Limited; Canadian Government Merchant Marine, Limited; Canadian Pacific Ocean Services, Limited; Crown Line; Cunard Line; Direct Line; Donaldson Line, Limited; Ellerman Bucknail Steamship Co., Limited; Furness Line; Head Line; Manchester Liners; Hudson's Bay Company; Leyland Line; New Zealand Shipping Co., Limited; South and West African Line and the White Star-Dominion Line, hereinafter called the Companies,

—AND—

Lodge 2098 des Lambrisseurs de Navires du Port de Montreal (The Shipliners' Association of the Port of Montreal, Local 2098, hereinafter called the Shipliners,

—WITNESSETH—

1. That this agreement is entered into and shall continue in full force and effect until the 31st December, 1923.

2. That in consideration of the undertakings hereby entered into and the obligations assumed by the Shipliners, the Companies hereby undertake and agree,—

(*a*) To deposit forthwith five hundred dollars ($500.00) with an incorporated trust company, or any other party as may be mutually agreed, as Trustees, as a guarantee for the due performance by them of this agreement.

(*b*) That the working hours shall be from 7 o'clock a.m. until 12 o'clock a.m. and from 1 o'clock p.m. until 6 o'clock p.m. at the rate of 50 cts. per hour for day work; and from 7 o'clock p.m. until 11 o'clock p.m. and from 12 o'clock p.m. until 5 o'clock a.m. at the rate of 60 cts. per hour for night work.

(*c*) That Double time be paid on Sundays.

(*d*) That when shipliners are required to work any meal hour they shall receive double time at the prevailing rate of wages and for each succeeding hour until discharged for meals.

(*e*) That shipliners ordered out to work at night must be out for 7 p.m. and be paid full time at the prevailing rate of wages from that hour until discharged or set to work.

(*f*) That when shipliners are ordered to work at 7 p.m. and their services are not required, they shall be paid a minimum of one hour.

(*g*) That the running of the grain in the pipes to be stopped while the men go down in the hold to work; two men to stand on deck during that time if necessary.

(*h*) That night meals are to be taken between 11 o'clock p.m. and 12 o'clock p.m. and the ship is to supply good meals or pay cost thereof.

(*i*) All the above mentioned conditions and schedule of wages to apply to all Ocean Steamships coming into the Port of Montreal under the Companies' jurisdiction.

3. That in consideration of the scale of wages hereby agreed to by the Companies and the schedule of working hours, and other undertakings entered into, the shipliners undertake and agree,—

(*a*) To deposit forthwith Five Hundred dollars ($500.00) with an incorporated Trust Company, or any other party as may be mutually agreed, as Trustees, for a guarantee of the due performance by them of this agreement.

(*b*) To supply the necessary men under their jurisdiction to perform the work of shipliners throughout the term of this agreement.

(*c*) That the shipliners will accept and adhere to the scale of wages and schedule of working hours herein set forth until the 31st day of December, 1923.

4. That the Companies and Shipliners hereby consent and agree that the deposits of $500.00 each herein above referred to will be paid over to the Trustees upon the understanding that the sums so deposited by each of the parties shall be applied by the said Trustees in payment in order of priority of time, of any and all judgments or orders of any Court in the Province of Quebec in favour of the other party, but upon the expiration of this agreement, each deposit or balance of deposit will be returned by the Trustees to each party entitled thereto.

5. The Companies hereby undertake and agree to make up any difference so that the Shipliners will get a return of not less than six per cent on any money deposited in trust.

APPENDIX No. 3

6. That the Companies having already entered into an agreement with the Shipliners, it is unnecessary to elaborate further on the question of the recognition of the Union.

In witness whereof the parties have signed

Anchor-Donaldson Line, Ltd.,
Cairn-Thomson Line,
Crown Line,
Cunard Line or others,
Direct Line Steamers,
Donaldson Line,
Canadian Government Merchant Marine, Limited,
Canadian Pacific Ocean Services,
Furness Line,
Manchester Liners,
Head Line,
Houston Line,
Hudson's Bay Company,
Ellerman Bucknail S/S Co.,
New Zealand Shipping Co., Ltd.,
South and West African Lines,
Canada Line,
Leyland Line,
White Star-Dominion Line,
Canada Steamship Lines, Ltd.,
Ocean Services,
Shipping Federation of Canada Incorporated.

In presence of

.....

Lodge 2098 des Lambrisseurs de Navires du Port de Montreal (The Shipliners' Association of the Port of Montreal, Local 2098.

The wages paid to the men are fifty cents an hour for day work and sixty cents an hour for night work. There is a clause herein also providing for double time at the prevailing rates as mentioned for Sunday.

By the Chairman:

Q. Just listen to these words which Mr. Campbell uttered before the Committee:

> "For instance, if the cars do not come down until night, and they want to load cattle at four o'clock in the morning, the carpenters insist on being called at midnight, and they get double time for waiting time even if they only begin to load the boat at four o'clock in the morning. I am talking now of the night men, and the same applies to Sunday."

What have you to say as to that; if men are required at four o'clock in the morning, does your union insist that they should be called out at midnight? —A. I would not like to answer that question directly just as you put it there, because it might be misleading.

Q. Answer the question direct, then you can make as full an explanation as you like. Is that true? Do the carpenters insist upon being called at midnight when they are required to load cattle at four o'clock in the morning?—A. It is true, under certain circumstances.

Q. Give us the circumstances.—A. It never happens. It might happen once or twice in a season, therefore it is the exception, and as evidence before this Committee we should not cite exceptions; it should be about the average condition that prevails, because exceptions will exist in all cases.

Q. You say it does happen sometimes, but that it is the exception?—A. Yes.

Q. What creates the exception, how does it happen that men who have to start work at four o'clock in the morning insist upon being called at midnight and get double time; there may be an explanation, and it may be perfectly justified, but you are here to give us the exceptions and to tell us the whole situation.—A. In that case you must take into consideration the work of these men; there are no hours for them, sometimes they work 12, 15, 18, 20 or even 24 hours and sometimes more, therefore they have to go home and get some rest at some time, and when they are at home they are not hung up on a hook to be called down at any time, and they insist upon a fair notice being given. They feel that if they are called at twelve o'clock and the company should not be ready to use them before four or five o'clock in the morning, the company should pay them, and those rates are the rates agreed upon by the companies and our organization.

Q. Do you mean to say that if they were called out at four o'clock they would be there at four o'clock and would not charge except from four o'clock, but if they are called at twelve o'clock and are not put to work until four o'clock they charge for their waiting time; is that your explanation?—A. It does not exactly work out that way.

Q. Explain how it works out, Mr. Martel.—A. There is a clause here which defines what the working hours shall be, and when the night work starts.

> "When ship liners are required to work at night they must be called at seven o'clock in the evening and be paid full time at the prevailing rate of wages for that hour or until set to work."

Q. If you want a man to do work during the night, you have to call him at seven o'clock?—A. They have to call him at seven o'clock.

Q. So that he will get a full night's work?—A. It is not necessary that it should be a full night's work.

By Mr. Sales:

Q. But a full night's pay?—A. No, not a full night's pay, it is that ship liners ordered out to work at night must be called at seven o'clock in the evening, and shall be paid full time at the prevailing rate of wages for that hour, that is, for the hour between seven and eight o'clock, or until set to work. If he is set to work at seven o'clock he is paid the ordinary rate; if he is not set to work but is held there in readiness he has to be paid just the same, because the company has ordered him out at seven o'clock, and until he is dismissed and sent back home they pay him one hour for coming down to work, leaving himself ready to start to work, or else until discharged; therefore he may work one, two, three or four hours, and when there is no more work he is sent back home.

Q. Or he may wait one, two, three or four hours?—A. Well, if he is waiting he gets paid.

Q. If I were a ship owner and needed a man at eleven o'clock at night, must I call him at seven o'clock and pay him four hours waiting time, or whatever time he waits?—A. If that occasion arises.

Q. Well, does it arrive?—A. There are exceptional cases. The shipping companies have experienced men who are there taking care of their interests as foremen; those men can see ahead three or four hours, so things are very

well managed. There is not as much lost time as a person not connected with the business might think there is.

By the Chairman:

Q. Suppose I am a stevedore, and you want some men for eleven o'clock to line a ship; have you got to pay them from seven o'clock? -A. Well, yes, according to this agreement.

MR. CALDWELL: That is just what Mr. Campbell said.

THE CHAIRMAN: Yes, but what the witness says is this, as I understand it, that what Mr. Campbell says is quite true about the waiting time, but that that waiting time is eliminated by careful management, and that it is very seldom a man is called before he is wanted.

By the Chairman:

Q. Is that correct, Mr. Martel?—A. Yes, it is very exceptional.

Q. I think I can see the reason for the standpoint of the men; it is that if the company expects the men to have their night's rest broken into and that they shall be employed during the night the company should pay them for a full night's work? -A. Only in special cases. The reason this was brought about is because the companies would call the men down at night and have them stay there all night when there would be no need for them. It is abuses that bring these things about. If there were no abuses, there are a lot of things that would not exist at all in this world. The men were dissatisfied, and therefore—

Q. Therefore they made a bargain. I do not think I am misinterpreting the bargain when I say that if a man is called out to do work at night he has to be paid from seven o'clock in the evening until he finishes, even if he only goes on at ten o'clock?—A. Until he finishes or until he is dismissed. If he does not start, after answering the call, he is entitled to one hour's pay.

By Mr. Sales:

Q. That clears it up. If he does not start at all, if he waits for five hours he only gets paid for one hour. That is what you said.—A. I may have said that, or I may have misunderstood. I stated that they are paid the current rate of wages for every hour they work; if they do not work at all, and if they answer the call, they are paid for one hour.

Q. Here is a man called at seven o'clock, or he gets down at seven o'clock, and they immediately say to him "We won't want you" -they pay him for one hour?—A. They pay him for one hour.

Q. And if he stays there four or five hours and does not work, he gets paid?—A. Yes, because the company desire to have the men there in case they need them, and it is only fair that the company should pay them.

By Mr. McKay:

Q. If you call a man at eleven o'clock and he works two hours and is then discharged, what rate of pay does he get?—A. The same rate of wages, sixty cents an hour.

By the Chairman:

Q. He gets from seven o'clock until one o'clock. Suppose I am a worker and you are a boss, you call me and say that you want me down there at seven o'clock; suppose you call me at seven o'clock and say that you want me at eleven o'clock, and I work from eleven until one o'clock in the morning, how much pay will you give me? You are a boss ship liner and I am your man, you call me and say "McMaster, the ship is going to be ready for you to start

work at eleven o'clock," and I go down at eleven o'clock and work until one o'clock in the morning, two hours of actual work, how much pay would you give me?—A. You would get paid for every hour you were there, whether you were working or not, as long as you were there at the request of the company.

Q. But when they are going to start lining at seven o'clock in the evening, how much do you give me?—A. For every hour you are there; the rate is fifty cents an hour, and sixty cents for night work, therefore it is easily figured out.

Q. Would I get $1.20?—A. If you were called by the company, whether you work or not.

Q. Listen to the question and answer it direct. You are the boss, my name is McMaster, I am a ship liner, you say to me, "McMaster, you are going to start work at such and such an hour, at eleven o'clock at night, you will go down there and start work at eleven o'clock." If I go down at eleven o'clock and finish at one o'clock in the morning, how much will you pay me?—A. You would get two hours' pay at the rate. If it is considered day work, 50 cents an hour; if it is considered night work, 60 cents an hour. Therefore you get $1.10.

By Mr. Caldwell:

Q. I am not quite clear on this yet. Supposing you order your workman to come at 11 p.m. Will he come at that hour?—A. The agreement does not say that. The agreement says that when the men are required to work at night they must be called for 7 p.m., and get paid full time at the prevailing rate of wages from that hour, until discharged.

Q. That is clear. The point the Chairman made is if you order your man to come at 11, whether he would come at that hour. I take it that he will not, and that the agreement is that he must be called so as to be there at 7.—A. It is unfortunate it is a little difficult to come to an understanding on this point, because we all had in mind an exceptional case.

By the Chairman:

Q. I am asking you as a practical man, under the agreement whether if you tell a man to be on duty at 11 p.m., and he comes at that hour and works until 1 in the morning, will be paid from 7 until 1 or from 11 until 1? A. There are cases that don't occur, because of they wanted men for 11 o'clock at night, they would call those men at 7 o'clock and employ them elsewhere, so that at 11 o'clock they are on the job to do the other work, with proper management.

Q. Suppose there was no other work?—A. Then they would pay them from the time they called them out and the agreement says they must be called at 7 o'clock.

Q. Exactly. Now we have got it. As you say, the agreement is pretty clear on that point, that ship liners ordered out to work at night must be out at 7 p.m. and be paid full time at the prevailing rate of wages from that hour until discharged, or set to work, so that if a vessel happened to come in at, say, 11 p.m., the men who would go on board to do the work of ship liners, must be paid from 7 o'clock in the evening until 11 o'clock practically for working time, and then paid for their work until they finish. That is the situation, Mr. Martel, is it not?—A. Yes.

Q. Will you file this agreement as an exhibit?—A. Yes.

By Mr. Sales:

Q. You say they would be employed elsewhere. Would you describe that?—A. Elsewhere, I mean on other ships.

Q. At the same kind of work?—A. Yes. Sometimes there are five or six ships in port, sometimes twenty, twenty-five or even thirty. It depends on the

season of the year. In the fall of the year sometimes it is about all they can do to find room for the ships.

Q. And this is the only kind of work these men do?—A. Yes, they do nothing else.

By Mr. McKay:

Q. So any loafing time does not occur very often?—A. No, or in other words, waiting time.

By Mr. Caldwell:

Q. Then your men do not get double time at night?—A. They do for Sunday work. That is specified in the agreement.

Q. Mr. Campbell was not very clear about it. He said it might be time and a half at night but double on Sunday.—A. There is no time and a half at all. Night work is sixty cents. There was a time when we had time and a half, and so forth, but the company were losing money and we sympathized with them, therefore we accepted less money in wages.

Q. Mr. Campbell was not very positive but he was pretty near the truth.—A. Yes, this agreement was handed in to us and if I may be permitted to say at this time, there was an impression left by Mr. Campbell's evidence—it was not done intentionally—that the Shipping Federation or the shipping company were at the mercy of the labour organization. In trying to protect the organization which I represent, I want to state here that the relations between the Shipping Federation of Montreal and the Carpenters' Union have been of the very best. There has never been no friction whatever, there has never been no trouble; in spite of all the other organizations having trouble with them, we never have. We were very patient, and I suppose they were patient with us, and through both parties being patient, we have always found a way until you can see that our wages is down to fifty cents an hour, which is only the wages of labourers. So therefore I just want to make that statement, to show you that there is no friction whatever between the both parties, and they are not antagonistic.

Q. I do not think Mr. Campbell conveyed the impression to the Committee that there was friction. He was speaking of the expense of loading, an expense that might not appear to the layman who did not understand the business?—A. I understood he made the statement or answered a question there directly that they were pretty much at the mercy of the unions. I may be mistaken but I thought that was what he said.

By Mr. Elliott:

Q. Mr. Martel, do these men lose any time?—A. Oh, yes. Sometimes as I have stated there is only two or three steamers in port. Last year we had an average of 800 men working there, and naturally there is no steady employment. Sometimes they work for a day or two without stopping; other times there is a day or two they don't work at all.

Q. How many hours do they average a week?—A. Generally speaking they have put in their full week.

By the Chairman:

Q. What do you call a full week?—A. 10 hours a day for 6 days. 60 hours.

By Mr. Milne:

Q. Is this seasonal work?—A. Yes, it only starts about the beginning of May or sometimes in April, and goes to the close of navigation, and those men

are dismissed in a very unfavourable time of the year, when they have got to seek employment elsewhere. In the fall of the year it is the hardest time to get a job.

By Mr. Gardiner:

Q. I notice that when they are employed late at night, they are paid extra if they are not given time for meals?—A. Yes, as to the meal hours, supposing a man works five hours and it is time for his meal, and there is something going wrong and they cannot stop the work, that man continues working for another five hours if required and then he gets double time.

Q. Does he get double time for the other five hours or just for the meal hour?—A. He gets double time for every hour that he didn't eat, after the regular eating time.

By Mr. Sales:

Q. I do not find that in this agreement.—A. I have seen that somewhere in the agreement, but I am not able to find it at the moment.

By the Chairman:

Q. It is clause D. When ship liners are required to work in meal hour, they shall receive double time for that hour and for each succeeding hour until discharged for a meal. That is quite reasonable from the man's standpoint. If there is such a rush on that the man cannot stop to eat, and he is taking it out of his reserve strength, he is paid double.

By Mr. Sales:

Q. And double that on Sundays?—A. Double rate on Sundays.

Q. So that makes it four times the rate on Sunday?—A. No, no, just double time.

By the Chairman:

Q. But on Sunday supposing he was working and receiving double time and could not get his meal and had to keep on working, you would then double the Sunday time?—A. It would be only logical to do so, but it has never happened. You bring up questions that I cannot very well answer, because we have never been up against such conditions as that. It is generally during the week that these things occur, and I don't know one instance yet where the company has been called upon to pay four times the rate of wages.

Q. It might happen on a Saturday night; if the men were rushed between 11 and 12 on Saturday night and unable to get fed and they carried on during a few of the early Sunday hours, then they would get double Sunday pay; if that happened on Sunday night they would run into Monday and would not get it.

Mr. SALES: There is a provision further down that the meal hour at night shall be at a certain hour, and the ship shall furnish good meals.

The CHAIRMAN: My father had some experience as a master stevedore and contractor for the loading and unloading of ships, and when a ship has got to go away, they never stop for anything. I have been told of incredible hours, that the men would work sometimes 36 and even 48 hours at a stretch.

Mr. SALES: Those are exactly the abuses which this gentleman says led to the Union and now it cannot be done.

The CHAIRMAN: It can be done, but at a tremendous cost for wages, in order to make those responsible for the management of the work avoid these abuses as much as possible.

Q. Do the companies furnish supper to the men now?—A. Yes, that is understood. It is mentioned in the agreement here. The companies are to supply good meals, but they don't always do that. The meals are supposed to be 35 cents.

Q. These men are ship liners, and really carpenters, that work on board ship, they are not the ordinary stevedores who unload vessels.—A. No, we call those "longshoremen." Our men are the men employed as ship liners, they are carpenters and follow up that line of work and they only do ship lining, or put up stalls, or any kind of such work for those companies. For instance, if something has gone wrong with the upper decks of the ship in coming across, through a storm or anything else of that kind, the work is done by these men. Naturally they are not all qualified to do that kind of work, but there are skilled men amongst them, and the company has been employing those men for years, and know the qualified men to do this work. We have men qualified and doing nothing else but the fine work inside the steamships.

By Mr. Sales:

Q. Would you look at clause 8 of your agreement; would you interpret that as meaning this, that the men may demand that they take a meal at that time?—A. Yes.

Q. They may demand that? A. That is the hour set for the meal, but if a man cannot enjoy his meal at that time, if he is kept on working, he gets double time.

Q. But still, if the men wish, they can say, "we are entitled to our meal now, and are going to take it"?—A. Yes, but you understand, gentlemen, as I stated before, the very best of harmony prevails, and we look at it this way, we as a labour organization are in business, and we intend to stay in business. Therefore, if we intend to stay in business, we must take care of those who are good enough to sit down and talk with us and sign an agreement. Therefore, if we abuse the conditions, the results are that we will be put out of business. We fully realize that, and realizing these conditions, anything that goes wrong the representative, the business agent, is called upon, and he generally takes a broad view of the questions and there is never any trouble arises with regard to anything like that.

By the Chairman:

Q. Now, I am sure gentlemen we are very much obliged to Mr. Martel, for coming before us and explaining the situation, and we will excuse him unless he has something to add.—A. Before being excused, there are some statements here about which I am not sure; probably it is because I do not grasp the proper meaning, but Mr. Campbell states that the cost of a stall is $16 to $18.

Q. What page is that from which you are reading? I see it is page 102, about the middle of the page:

> *"By the Chairman:*
>
> Q. Before you pass away from the stalls, you say that each stall cost $16?—A. $16 to $18 on deck, and $9 between decks."

Is that what you were referring to?—A. Yes, sir. Our organization called my attention to it, and the fact is that we think it is misleading, as it does not say whether it includes the material, and seeing it is very closely connected with what they have to say about organized labour, it might lead the public to believe it is our time, our wages alone, and I would not like the public to get that in their minds, that the 50 cents an hour for this kind of work amounts to $16 in building a stall, which would be detrimental to our organization.

Q. Anybody who reads all the evidence would never arrive at that conclusion. Further down it says:

"*By Mr. Hammell:*

Q. Does the stall material cost much?—A. The cost of the stall material is a large item now. For the inch and a half stuff it would cost probably $45 or $50—"

That is, I suppose, per thousand feet:

"—while it used to cost $12 to $15."

We are very glad to receive your explanation that that $16 to $18 includes the material as well as labour, but I do not think anybody would think it was just labour.—A. Mr. Chairman, it might be quite clear to you gentlemen here who have heard all the evidence, but the general public do not read—I do not think the general public will ever read all the evidence, and they pick up something that happens to strike their imagination, and they take it for granted it is what they have read. Therefore, when you say $45 is probably the price per thousand, it does not say so there, and in talking of stalls, where one stall costs $16 to $18 to build, they might come to the conclusion, they could very well say that that is for labour, and that the material costs $40 or $50, because if it is $45 per thousand feet, why not say so and make it clear?

By Hon. Mr. Sinclair:

Q. How much time does it take to build a stall?—A. I could not say anything on that, because our men do not work by piece work; they work by the hour, and we have never tried because, as an organization, we are against piece work, and we are against the sweating system, so we feel that for a reasonable day's pay we should give a reasonable day's work, and the judge of that is the foreman or the employer. If our men do not give satisfaction, the only thing to do is to dismiss them. Therefore, we have no knowledge whatever of what it would cost, how many hours of labour it would take to build a stall, but still the information could be obtained if you so desired.

By Mr. Gardiner:

Q. Have you any idea of the cost of the material that goes into a stall?—A. No. I have not that knowledge at all. I could get that information if you so desired.

The CHAIRMAN: Very well, we thank you very much, sir.

Mr. GARDINER: Perhaps the witness could get the approximate cost of the labour and material entering into one of these stalls.

The CHAIRMAN: I will ask you to prepare a little statement—you can send it on; you do not need to come back to Ottawa—for the Committee, showing the cost of material and the cost of labour for a stall, at to-day's prices.

The WITNESS: You would want the quantity of material used in the stall itself, the prices, and the approximate number of hours of labour?

The CHAIRMAN: Yes, to make a stall? Thank you, sir, we are very much obliged to you.

Now, Mr. Ward, we will ask you something about rural credit this morning.

JOHN W. WARD, recalled.

By the Chairman:

Q. Now, Mr. Ward, you are familiar, I understand, with the rural credit systems in some of our provinces in Canada?—A. Yes, sir. What I wish to deal with is the question of long term credit or mortgage credit, and in that con-

nection I want first of all to read to you a resolution which was passed at the meeting of the Canadian Council of Agriculture, held in Toronto in the last week of March, of this year, as follows:—

> "Whereas there is imperative need in Canada for a comprehensive system of agricultural long term credit, and
>
> "Whereas the existing provincial systems are necessarily restricted in their scope by limitations of provincial finance,
>
> "Therefore be it resolved that the council urge upon the Government of Canada that it introduce at the present session of Parliament a measure to provide an adequate system of long term farm loans."

Now, first of all, I would like to point out the need of cheaper long term credit for the farmers of this country. I think you will understand, you will know that the farmers at the present time are paying considerably higher rates of interest for the money which they borrow than other industries are. This not only applies to the short term credit which they get from banks, but it also applies to the long term or mortgage credit which they obtain from the mortgage companies, the insurance companies and so forth. In Western Canada, which I know better than the East, the prevailing rate of interest on mortgage loans is 8 per cent.

By the Chairman:

Q. Is what?—A. Eight per cent. There are a good many cases where farmers are paying 9 per cent for mortgage loans on a five year contract, a great many.

Q. In what part of the West are they paying 9 per cent?—A. In Manitoba, Saskatchewan and Alberta.

Q. Are there any particular districts that are paying that 9 per cent, or is it pretty well distributed over these three provinces?—A. I think the further west you go the higher the rate of interest.

Q. Alberta pays a higher rate than Manitoba?—A. There will be more people in Alberta paying 9 per cent than in Manitoba.

By Mr. McKay:

Q. How do you account for that?—A. They can get it, the mortgage companies can get it, and if they can get it, of course they do.

By the Chairman:

Q. Are you suggesting that the people in Alberta are better able to pay 9 per cent than those in Saskatchewan?—A. No, sir, what I am suggesting is that the farmers neither of Manitoba, Saskatchewan nor Alberta, can afford to pay 9 per cent, and I would like to suggest to you that if you have any manufacturers or people engaged in large and successful and profitable businesses coming before you, you ask them what rate of interest they can afford to pay for their borrowed capital, and ask them if they can afford to pay 8 per cent or 9 per cent for it, but I would prefer not to stress the 9 per cent. I mentioned that a good many people are paying that, but I say the prevailing rate is 8 per cent, and I think we can take it on that basis, that they cannot even afford to pay 8 per cent, and that if the Government can enable them to get their money on a lower rate it will be good business to do so.

By Mr. Elliott:

Q. Mr. Ward, have you not a difficulty in getting mortgages on farm property?—A. I do not suppose everyone who wants to borrow can get it, but there is a considerable amount of money available for mortgage loans.

As you know, the railway companies, manufacturers, and others engaged in commercial pursuits are able to secure their capital by the issue of long term bonds at favourable rates of interest, while the borrowings of farmers for capital purposes are practically confined to mortgages, which must either be repaid within five years, or renewed, sometimes with considerable expense, at the termination of that period. Farmers, in any case, under the present system, are required to pay higher rates of interest than the other industries referred to, and this undoubtedly is a very serious handicap upon the basic industry of this country.

By the Chairman:

Q. Are you reading this, Mr. Ward? If you are, there is no necessity of the reporter taking it down. -A. What I have before me is a report which I have prepared for another purpose, and there are some parts of it which I would like to read, but I do not wish to follow this exactly, so if I might go on in that way—

Q. Certainly, only I thought some time might be saved in that way.—A. It is difficult to see how farmers can be expected to carry on their industry on a profitable basis when they are called upon to pay higher rates of interest than those engaged in other branches of industry.

Now, with regard to the safety of loans made upon land, I have here the annual report of the National Trust Company, which is one of the large lending institutions doing business in the West, and at the annual meeting of that company held on January 30th, 1923, the general manager, Mr. W. E. Rundell, said:

> "Before generalizing further, let me be specific regarding our own credit loans in the Prairie Provinces. We have been lending there for over twenty years, and we have yet, in any one year, to make a net loss of $1 on our total mortgage business. I do not mean to say that in individual cases there have not been small losses, for there have been, but these have been more than offset through the year in which they were made by profits received from the sale of other foreclosed property. Ours is by no means an isolated experience."

There you have a company which has been lending money on mortgage loans in the western provinces for over twenty years, and they have not made a loss. They have lost money in one year, perhaps, one property, but they have made the loss up; they have always found other properties the same year that they have sold at a profit, and they have therefore made a little profit on their foreclosures. That is to show you that farm mortgages are a perfectly safe investment for capital.

By Mr. McKay:

Q. Could you tell me the percentage of foreclosures by these companies? —A. No, they do not tell us that.

Q. They may have been very radical in protecting themselves, the farmer may have suffered from their radicalism in protecting themselves?—A. They have made their loans very carefully. They do not lend more than, at the outside, 50 per cent of the value of the property, and they exercise discretion in what districts they will loan in, and all that sort of thing.

By the Chairman:

Q. Suppose we take it for granted without stressing the point, Mr. Ward, that when money is loaned on land, to 50 per cent of a careful and conservative

valuation, it is about as safe a form of investment as can be found in the world. I think we will all agree on that?—A. That is the point I wanted to make.

By Mr. Sales:

Q. Is money ever loaned to the extent of 50 per cent of the value of the property?—A. That is what they regard as the maximum, and the valuation is made, in these companies, by a salaried inspector. They do not take the valuation placed upon the land by the local agent who is going to get a commission; they send their own salaried man who is looking after their interests entirely, and he is naturally inclined to be conservative.

By Mr. McKay:

Q. Mr. Ward, have you any amount given of the percentage of refusals on the part of the companies in taking the mortgages on the land? They may have made gilt-edged selections?—A. Yes, but you will find practically every farm in the country has a mortgage on it.

By Mr. Gardiner:

Q. There was another point, Mr. Ward, that you made with regard to that report, which I would like brought out more fully. The manager of this company made the statement that they had never actually lost any money. Is it not a fact that when they foreclose, the mortgage companies set a price which covers the mortgage and all the costs, and in case of any one not buying, at that price, the mortgage companies become the possessor of that particular piece of land?—A. Yes.

Q. After they have come into possession of that land, they are in a position to sell that land at any price they can get for it?—A. Yes.

Q. Consequently, on these grounds, if they did happen to make a loss on one piece of land, they could recoup their losses by selling other pieces of land at a price higher than what the mortgage and costs would amount to?—A. That is exactly what this statement means, that I have read to you from this report. That is exactly what it means.

Now, the Council of Agriculture is of the opinion that it is absolutely necessary, in order to put the agricultural industry upon a sound basis, that a long term farm loan system providing for payment upon the amortization plan, and having resources sufficient to meet all reasonable demands, should be established in Canada. Most of the agricultural countries of the world have some system of this description, and if you wish I can give you details of the systems that are in force in the United States, which you have already had from Mr. King, although I would like to make some remarks about that also, and also the systems that are in force in Australia and New Zealand.

When free homestead lands were available within a reasonable distance of the railway, it was possible for settlers in Canada, with a comparatively small amount of capital, to become possessors of land, and to establish themselves under favourable conditions, but at the present time, when practically all the desirable land is under private ownership, it is impossible for the average settler to secure land unless he can either purchase it upon long terms, or borrow money under similar conditions. This fact is recognized in the Soldiers' Settlement Land Scheme, and by the C.P.R. Land Department, which is selling land to settlers on 20-year terms, and also by the Canada Colonization Association which proposes to sell land to settlers on 32-year terms. In my opinion, unless long-term credit facilities for farmers are provided, there is a danger that the western provinces will become, to a large extent, a country of

tenant farmers, and as a matter of fact, farm tenancy is growing in that country at the present time. As land increases in price, with the increase of population, this movement—

By the Chairman:

Q. Let me interrupt there with a question. You say tenancy is increasing. What class of persons are becoming landlords?—A. Mortgage companies, to a considerable extent.

Q. Anybody else, any other class?—A. Mostly people who have acquired land in a speculative way, and people who had loaned money upon the land and taken it back through failure of the farmer to meet his payments.

By Mr. Sales:

Q. And men in the small towns, men in business, who acquired farms through the failure of farmers to pay their debts?—A. Yes.

By the Chairman:

Q. In other words, the creditor class is becoming the owner class, and renting out the land to farmers; that is the situation, is it? Is that a very considerable growth?—A. I have not got statistics on that.

Q. For instance, I have an article here showing how this situation is developing in some of the northwestern American states. I read from an article in *The Nation*, the American *Nation*, of April 11, 1923, intituled, "Why the Farmer Starves":—

> "The four States of Minnesota, North Dakota, South Dakota, and Montana, contain 388,482 farms, consisting of 73,250,000 acres of improved land. In the first place, land tenancy is on the increase. From 21 per cent in 1910 to 34·7 per cent in 1920 in Minnesota; from 14·3 per cent in 1910 to 25·5 per cent in 1920 in North Dakota; from 24·8 per cent in 1910 to 35·7 per cent in 1920 in South Dakota; from 8·9 per cent in 1910 to 11·3 per cent in 1920 in Montana. In other words, there are 97,100 farms in these states, now being worked by tenants."

You have not any similar figures to give us in connection with the Prairie Provinces?—A. No, sir, but the Manitoba Agricultural College conducted a survey two years ago, and they got that information. They have not published the whole of their report yet, but one of the professors at the college who was engaged in making that survey, gave an address in Winnipeg a short time ago and he made the statement there that tenancy was increasing to quite a considerable extent.

Q. Are you expressing yourself wholly on the statement of this professor, or are his conclusions similar to those resulting from your own observations?—A. It is general knowledge that tenancy is increasing in the western provinces.

Q. What about your own observations?—A. Simply that—

Q. Have you observed that yourself?—A. Simply by people telling me of it; that is the only way in which you know, by what some one tells you.

By the Hon. Mr. Tolmie:

Q. Do they pay a cash rental, or work on shares?—A. I think in most cases it is on shares.

Q. What class, particularly, are the tenants, the men who have been on farms, or the newcomers, or farmers gone broke?—A. I think mostly they are men who have gone broke, but I think there is also quite a number of non-English-speaking people who have become tenants.

Q. People with limited capital?—A. Yes.

By the Chairman:

Q. And they have become tenants on the way up, so to speak?—A. I do not know about that. You see, probably the reason, I think the reason why there is more tenancy in the United States is because the land is a higher price, and when land gets to be a high price the ordinary man cannot buy it, therefore he works as a tenant. The point I am trying to make now is that as the land increases in value, as it will do if we have a return to prosperity and our population increases and so on, it will be that much more difficult for new settlers to become owners of land. This phenomenon of course is not confined to western Canada. It is a world-wide condition, where there is private ownership of land. As the land increases in value the increment goes to the owner and it is hard for a person to work it, because he has to pay higer rent?—A. Yes, and I think it is desirable, as far as possible, that the land should be operated by the owner, and this condition we are speaking of makes it all the more necessary to provide capital on long terms and at the least possible rate of interest so that the occupier may be the owner of it. We are hoping to make great strides in the west and in other parts of Canada also, through co-operation, but experience has shown that co-operation on the part of the farmers cannot be permanently successful amongst tenant farmers, because if co-operation results in better conditions and more profit to the farmer, the result is if the land is owned by the landlord they will raise the rent. Now, agricultural co-operation has had the most success in Denmark and in Ireland. It both cases the development of co-operation was preceded by the purchase of the land by the former tenant, through very long term loan schemes, established by the British Government and the Danish Government. They provided the money with which the tenants could buy the land, in some cases as much as sixty and seventy year payments.

By Mr. Sales:

Q. Before you leave the question of the tenants, I would like to make this point, that is, that under the existing form of mortgage, when a farmer gets behind in his payment, he automatically becomes a tenant?—A. Yes. The mortgage companies require the farmer to make an assignment of the title and to become their tenant.

By Mr. Caldwell:

Q. If he fails to make a payment?—A. If he gets in arrears he has to give them a lease, then he is their tenant and a portion of the crop of the land—but they will usually reinstate a man. If he clears up, they will give him back his title again.

By Mr. Sales:

Q. The worst feature of it is that when a man becomes a tenant under this mortgage agreement, he loses his exemption, and if he gets into difficulty he loses his four horses and cows and machinery, which are otherwise exempt by law?—A. I do not know.

Q. I am informed on very good authority that that is the case?—A. I do not know.

By Mr. McKay:

Q. Where does that take place? In the United States?

Mr. SALES: No, in Canada. I say now under the existing mortgage arrangements, if a man gets in arrears he automatically becomes a tenant, and when he is no longer owner of the land he loses the right of exemption. Under our law the Saskatchewan farmer is exempt. Nobody can seize four horses, two or

three cows, so many chickens, machinery, seed and feed, but when he becomes a tenant, by getting into arrears, he automatically loses all his exemptions, and it is a very bad feature.

The CHAIRMAN: Is that the law of Saskatchewan?

Mr. SALES: That is the way it works.

Mr. CALDWELL: They are in a better fix than the people of New Brunswick, because we have no exemption in any case.

The CHAIRMAN: We have in Quebec.

The WITNESS: I thought these exemptions were under Magna Charta.

The CHAIRMAN: No.

The WITNESS: That is where they originated.

By Mr. Caldwell:

Q. Does the farmer automatically become a tenant without the mortgage company foreclosing the mortgage?- A. The mortgage company will, under threat of foreclosure, induce the farmer to become their tenant.

Q. It is not a proper mortgage agreement?—A. No.

Mr. SALES: I would appeal to Mr. Reid. He has already been sworn. Could you verify me in my statement? Say it is so or it is not so?

Mr. REID: Let me suggest that my statement should not be taken down. It is the fact, as Mr. Sales says, that it is being practised in Saskatchewan to-day. There is a clause—just a few words, I believe, in the mortgage contract. Stop this man taking this down, will you, please?

The CHAIRMAN: If it is of real value, let the country judge.

Mr. REID: It is being practised to-day, I understand, that the farmer loses his exemption, and he may become a tenant and he may be sold out entirely at any time.

The CHAIRMAN: Do I understand that the law of Saskatchewan does not grant the tenant on the farm certain exemptions?

Mr. REID: I believe not.

Mr. CALDWELL: The law of New Brunswick does not grant the farmer exemptions on anything.

The CHAIRMAN: As we are all testifying concerning our respective provinces, the law of Quebec exempts from seizure one team, a plough, horses, oxen, the bed or bedding used by the farmer, his clothes, one cook stove, pot hook irons and a number of things, so that a man cannot be put on the road without a bed to lie on or a stove to cook his meals with.

Mr. CALDWELL: In New Brunswick they will take them with the clothes on their back.

Mr. MCKAY: They are a hard bunch down there.

Hon. Mr. SINCLAIR: Foreclosures are so rare in my province that I do not recollect any.

By Hon. Mr. Tolmie:

Q. Have you any class of farmers who make a practice of being tenants and not holders as they have in the United States? I understand there are a number of farmers in the United States who make a practice of being tenants instead of owning the land.—A. I think there are a few people who do that.

Q. Have you any figures to show that tenancy has materially increased in Denmark and Ireland as a result of the scheme you have outlined?—A. I have

not got figures here, but you probably know that for many, many years the land in question in Ireland has been one of the great questions of that country and that the British Government have been passing laws for the last thirty or forty years to enable the tenant farmers in Ireland to purchase their land, and Ireland has practically been transformed from a country of large estates, with tenants living under miserable conditions, rack-rents and things of that sort, into a country of peasant proprietorship. The same thing was done in Denmark. The Danish Government purchased the land and sold it to the farmers on about sixty-year terms, with a rate of interest of about three per cent, so that what practically happened in Denmark and Ireland was that the farmer only paid about the same amount a year as he was paying for rent, and it was an annuity, that is, in sixty or seventy years, as the case may be, he became the owner of the land. In the meantime his rent could not be raised, and any improvements he made on the land were not his own, but any benefits he got from co-operation or anything else belonged to him instead of belonging to the landlord in an increased rent. There is no doubt at all that students of agriculture or co-operation in Europe will tell you that the co-operative movement in Denmark would not have achieved the results that it has if the people who were farming the land did not own it. I only introduce this question as one of the reasons why it is desirable in the interests of not only the farmers, but the country as a whole, that long term credits should be provided for the farmers at the lowest possible rate of interest. Now, in the——

By Mr. McKay:

Q. Have you any scheme which you can outline along that line? Have you any suggestions to make to this Committee?—A. I do not want to place before you a cut and dried scheme, but I can place before you two suggested methods of introducing a system in this country, under the auspices of the Dominion Government.

Q. Separate and distinct from the banking system?—A. Oh, yes, entirely. Now, in some of our provinces we did have long term loan schemes under the auspices of the provincial government, but the resources that are available for these schemes are very far from being adequate to meet the needs of the situation. The Saskatchewan Farm Loan Board, which makes loans at 6½ per cent, on the thirty-year amortization plan, has loaned upwards of eight and one half million dollars, first mortgages, up to December 31, 1922, of which $7,768,109.52 was outstanding at that date. The report of the Board for the year ending December 31, 1922, states that applications for loans were received during the year to the number of 415, for an aggregate of $1,450,368. Ninety-seven loans were completed with an aggregate of $361,120.36.

By the Chairman:

Q. There were applications for how much?—A. $1,450,000, and they loaned $361,000. They had 415 applications and they made 97 loans.

Q. Can you tell us whether those others were not complied with? On the grounds of their not being satisfactory, or on the ground of want of money?—A. On the ground of want of money.

Q. Are you sure of that?—A. Yes. I was reading the report. It says, "Most of the loans that were made, having been accepted by the Board in 1921 or earlier," so that they practically did not meet any applications that were made in 1922. "The Board was out of funds for a good portion of the year, and the books were closed on December 31, with a large overdraft at the bank." That shows that the Saskatchewan Farm Loan Board is nothing like able to meet the demands on it by the farmers of that province.

By Mr. Caldwell:

Q. You say 6½ per cent amortized?—A. Yes.

Q. Does that mean 6½ per cent pays principal and interest per year?—A. No, 6½ per cent is the rate of interest.

By the Chairman:

Q. Then there is the sinking fund, or amortization of the payment, over and above 6½?—A. Yes. If you would not mind, I can give you a little information about the Saskatchewan Farm Loan Board, if we can get it together.

Q. If you could only hit the high spots and not have to read so much. You have been in attendance at this Committee so long that you can realize the mass of stuff we have to go through, and if you can point out and drive home the salient features, we will be very much obliged to you.—A. Yes. They have in Manitoba also a similar scheme and they have loaned up to the 31st of August, 1922,—The amount outstanding at that date, rather, was $7,829,227.93. The Manitoba system also provides for loans on the thirty-year amortization plan, the rate of interest being seven per cent.

Q. I do not know whether you have it somewhere else. I do not want to interrupt you if you have, the amount of money that is overdue on this scheme. How are the people paying their interest and their instalments of capital. That is vital for us to know.—A. I do not know.

Q. Those are the things we expect people who come before us to tell us about; to have it at their finger tips, because we are here to examine the real facts in connection with these cases. We will probably have to make a recommendation as to whether there should be started in this country a system of rural credits apart from the bank, and it is vital we should know how these things are operating as business propositions.—A. If the men in charge of these institutions do not tell me, how can I tell you.

By Mr. Caldwell:

Q. Does not their report give that?—A. I have the report of the Saskatchewan Farm Loan Board here.

By the Chairman:

Q. Look it up. That is what we want to find out, that is, as to the advisability of having, on a proper basis, systems of rural credit, or cheaper money for our farmers. We do not have to stress that point. I think we are all agreed as to that.—A. If that point is agreed, I will not follow it any further, but I want to say the provincial schemes we have are not adequate.

Q. You have got schemes in their report. We want to know are those schemes being conducted so that the people's money that is being advanced in this way is safe. Are the provinces operating this scheme of rural credit in such way that the people's money loaned in this fashion is earning its rate of interest, and being paid according to the contracts? That is vital for us to know.—A. The Saskatchewan system—I think I had better give you the annual report which is here, of the Saskatchewan Farm Loan Board for the year ending December 31, 1922.

Q. I do not want to read all that report, if by your study of the situation you can inform us what we want to find out. We can read all these reports for ourselves. What we expect to hope for from witnesses is to help us in our work.

Mr. CALDWELL: Boil it down for us.

The CHAIRMAN: That is it.

By Mr. McKay:

Q. For how many years has the Saskatchewan scheme been in operation?—A. Since 1917.

Q. That is reasonably old?—A. And they have been operating on a margin of one and one-half per cent. They get their money by the sale of bonds at five per cent and they make their loans at six and a half per cent, and they have now a surplus profit made on the operation of the scheme amounting to $147,267.77. They made a profit in the year 1922 of $70,691.71.

By the Chairman:

Q. How many payments of interest are in arrears and to what extent?—A. I do not think the figures are given.

Q. Well, they should be given.

Mr. SALES: I can quite imagine there would be a considerable amount overdue these last two years, because men who have no mortgages are finding it difficult to make ends meet.

The CHAIRMAN: I think it is essential when we come to study these questions, that we should have those facts.

Mr. SALES: We can probably get them by writing to Mr. Fraser.

Hon. Mr. SINCLAIR: We have to know what effect these defalcations have on the whole scheme. We have to know what eventually becomes of their holdings.

Mr. McKAY: All the local units are operating.

Mr. SALES: With this reservation, that if you are going to reject or approve the scheme on the last two years, you will certainly reject it, because these conditions are abnormal.

Mr. McKAY: Any banking or financial scheme must be based largely on what may occur in two years.

The WITNESS: Up to the end of 1922 the Board had acquired title to nineteen farms, either through transfer or by foreclosure, following the Board of Mortgage Sale proceedings. There are in this report two or three pages of examples of farmers who have not played fairly with the Board in the matter of making their payments. In some cases the Board has obtained a lease, has got a farmer under a lease, as we spoke of a few minutes ago, and a certain share of the crop was supposed to go to the Board from the farmer as a tenant of the Board, and in some cases the farmer actually sold the grain that belonged to the Board and used the money to pay some other debts. The Board, in making their report, make a very bitter complaint about the way the farmers are not meeting their obligations as they ought to, and the Board has also found it necessary, during the last few years, to make loans to the farmers to enable them to purchase seed and to pay their taxes and pay their hail insurance.

Q. Other loans?—A. Than those originally made.

By Mr. Sales:

Q. Increase the original loan?—A. Yes.

By the Chairman:

Q. Surely those figures you got from the Board will tell you what amount is in arrears?—A. No, sir, they do not.

Q. You can tell us, because you are familiar with these matters, who is the man who could give us the real facts and full information as to the working of this Saskatchewan scheme?—A. Colin Fraser is the Commissioner.

Q. Is he in Regina?—A. Of Regina. He is the Commissioner.

Q. And he is the man who could give us this vital information about this scheme?—A. Yes.

By Mr. McKay:

Q. Is he a lawyer?—A. No, he is a loan company man. There are two others who act with him on the Board, and he is the man who gives all his time to the job. He can tell you everything. In this system the money is borrowed by the Government and they will not sell any more bonds at more than five per cent. During the war the Dominion Government took some of their bonds, but now they are dependent upon selling them very largely to the people of Saskatchewan.

By the Chairman:

Q. You mean to say during the war the Federal Government, which was borrowing money at 5½ per cent, would buy some of these bonds at 5 per cent? —A. Yes.

Mr. SALES: For this reason—we were invited in Saskatchewan to co-operate in the Victory Loan and Mr. Dunham, at that time, put the Victory Loan in front of our Saskatchewan bonds and asked our people rather to invest in loans and in return the Government took a certain proportion of Saskatchewan bonds.

Mr. CALDWELL: In proportion to the amount of Victory Bonds—

The CHAIRMAN: Could the Saskatchewan Government sell these rural credit bonds? Could they sell them in the open market and get five per cent for them?- -A. No, sir, they cannot. They sold last year something over $700,000 of them and over $300,000 of that was taken by the Municipal Hail insurance scheme. When they bought these bonds they were doing something to help the farmer, which was not strictly a business investment on their part, because they could have bought Dominion Government and other Provincial bonds that would have yielded them more. There is one feature connected with those bonds which makes it a little bit attractive to the smaller individual and that is by giving three months' notice you can get your money back at any time. The Government undertakes to redeem the bonds on three months' notice; they never go below par and a man can get his money. Naturally they cannot get a very large amount of money at five per cent and the amount they lend is therefore limited to that, and what they get from the scheme from collections. Now, they are on a thirty year amortization plan, and with the interest rate of 6½ per cent, annual payment, required to pay off the principal and pay the interest, it is $76.58 per annum.

Q. That is on $1,000?—A. On each $1,000.

By the Chairman:

Q. That is what rate of percentage?—A. 7·658 per cent. That is what they pay.

Q. If you would pay at the rate of 7·658 per cent for thirty years you will have all your interest paid and the debt wiped out?—A. Yes, whereas under the regular business system you would pay 8 per cent per annum, and you could pay that forever without paying the debt. You would have to pay $80,000.

Q. The other is a straight 8 per cent?—A. Yes. In Manitoba the rate of interest is now 7 per cent. When the scheme was started—I think it was in 1917—they got their loans at 6 per cent, and they required the borrower to

subscribe for stock, capital stock in the association, to the extent of 5 per cent of the amount that he borrowed. The Provincial Government also subscribed capital to the scheme and the Provincial Government gets no interest on the capital it has invested and these borrowers who bought 5 per cent of the stock have never received any dividends. But two years ago the Act was amended so that the rate of interest became 7 per cent and the borrowers were no longer required to take capital stock. In the Manitoba scheme they got their money at 6 per cent and lend it at 7 per cent and they also have accumulated quite a considerable surplus. They had a surplus of $126,702.24 on the 31st of August, 1922.

By Mr. Caldwell:

Q. That is on the five years operation?—A. Yes.

By the Chairman:

Q. What amount of outstandings have they of unpaid instalments, either of interest or of capital,?—A. I do not know.

By Mr. Caldwell:

Q. Does the report not give that?—A. No.

The CHAIRMAN: There is something strange about people who are reporting on a financial scheme who do not report what their bad debts are or what their slow debts are.

The WITNESS: The Manitoba Farmer's Association did not print a report this year. The balance sheet was published. I have it here in the *Monetary Times*, but the report describing their operations was not printed and was not made available to the public. I tried to get a copy and they said they had not got any.

Q. They are handling public funds though?—A. Of course they reported to the Provincial Treasurer.

By Mr. Caldwell:

Q. The report made last year was not for the five preceding years?—A. Yes, they made a report which was published.

By the Chairman:

Q. The Provincial Treasurer would have the report, I suppose?—A. If you would ask them for a copy of it, they would send you one, I am sure.

The CHAIRMAN: Take a note, Mr. Secretary, to write to the Provincial Treasurer of Manitoba and ask him to be kind enough to let us have all the reports of the Province of Manitoba Farm Loan Association.

WITNESS: I can give you information regarding the schemes that are in operation in Australia and New Zealand, if you would like to hear it.

Q. About what?—A. The schemes that are in operation in Australia and New Zealand.

Q. We will be glad if you will give us that.—A. I don't know that I shall be able to give it to you in very much detail.

Q. If you are going to read something, if you will kindly give it to the stenographer and we will put it in our record; no doubt it will be of great value. —A. I have not got very much, Mr. Chairman, but I have figures showing the amounts that have been loaned and the balances due. They have—

Q. When you say "they," whom do you mean?—A. In Australia each of the six States operates its own scheme; roughly it is a simple matter. The State Governments borrow the money by the issue of bonds and debentures.

Q. What do they pay for the money they borrow?—A. Before the war they got it at about four per cent, but since the rate has become higher they have not borrowed very much money, they have used the repayments made by previous borrowers.

Q. How long has that scheme been in effect?—A. That scheme has been in effect over there for about twenty or thirty years. Up to the 30th of June, 1920, which is the last date for which I could get figures, they had loaned £19,765,000.

Q. That is, the whole of the State Governments together?—A. Yes. In every State there is an accumulation of profits. They have been operating on a margin of from one-half to one per cent. If they borrowed the money they would lend it at 4½ per cent, and in some cases 5 per cent.

Q. A narrower margin than they have in Saskatchewan?—A. Well, they have accumulated a surplus. In Australia each State has a surplus, amounting in the six States on the 30th of June, 1920, to £599,976.

Q. Have you got the figures up to a later date than that?—A. No, sir. The Commonwealth Year Book is where I got these figures. It is possible they may now have the Commonwealth Year Book for one year later; it had not arrived when I left Winnipeg, but I think it has arrived in the country now. It is quite a large book.

Q. Have you inquired at our Parliamentary Library, so as to bring your figures up to date?—A. No, I have not. In New Zealand they have a similar proposition.

Q. When you say they have a similar proposition, what do you mean?—A. A similar proposition to Australia.

Q. What do they lend there at?—A. They have lent over £20,000,000. They started by borrowing money at 4 per cent, and they loaned it so that it was repayable in 36½ years by half-yearly payments of 3 per cent of the amount borrowed, that is, they paid 6 per cent per annum and they had their loan retired in 36½ years.

Q. What had they to pay for their money, do you know that?—A. The Act provided that the rate of interest was not to be higher than 4½ per cent, what they would pay for the money.

Q. They could not borrow at higher rates than 4½ per cent?—A. Not higher than 4½ per cent.

Q. Could they borrow at 4½ per cent in New Zealand?—A. Yes.

Q. They figured out what they would have to pay on amortization, under that scheme?—A. It does not state in the Year Book; it does not state what the rate of interest was, and there might be a different calculation.

Q. But take 36½ years, any actuary would tell you what that meant, including amortization and everything else.—A. The table would show it; at any rate they paid 6 per cent per annum.

Q. A borrower paid 6 per cent per annum, which included the amortization? —A. Yes.

Q. Do you know about the New Zealand scheme, how it was operated? Was it direct loans from the State to the borrowers, or was it through credit societies? —A. They have what they call the Advances to Settlers Office. There is the State Advances Act of 1913.

Q. Have you got the figures of what outstandings there were of bad or slow debts?—A. No. They have not lost any money.

Q. When do your figures for New Zealand come up to?—A. 1922.

Q. Where did you get those figures from?—A. The New Zealand Year Book itself. Up to the 31st of March, 1922, the advances were over £20,000,000, and repayments over £12,000,000.

Q. How long has that been in operation?—A. Since 1894.

Q. Did you tell us whether the Australian reports gave the amounts that were outstanding?—A. No; they do not show how much is overdue.

Q. Did all the States in Australia have the same scheme?—A. No, each has had its own scheme, but they are all on the same principle.

Q. Is it on the principle of direct advances from the State to the individual? —A. Yes, through a Board, a Board appointed by the State. The State issues bonds, and in some cases they get some of the money by deposits in the Savings Bank.

By Mr. McKay:

Q. They have a Farmers' Savings Bank System?—A. Yes.

Q. The same as the system they have here?—A. They have what they call Land Banks and Savings Banks.

By the Chairman:

Q. Have you looked into the Ontario system?—A. I think it is very much the same as in Manitoba.

By Mr. McKay:

Q. Practically the same?—A. In Manitoba the Provincial Savings Office is not connected with the long term loans and is not officially connected with the rural credits, as we call them, the short term loans. Now, with regard to the Federal Farm Loan scheme, Mr. King gave you a very admirable account of that, but there are one or two points in it to which I would like to refer. Mr. King told you there was first of all the local associations, called the National Farm Loan Association, which consists of ten or more farmers, who subscribe for stock.

Q. Are you going to emphasize some things Mr. King did not mention?— A. There are one or two things he did not mention which I would like to speak of. There is the application for stock to the amount of five per cent of the amount borrowed. The farmer takes that amount of stock in the local association, which is called the National Farm Loan Association; that carries with it a double liability, and the money that is obtained by the National Farm Loan Association from the sale of stock must be used by them to purchase the stock of the Land Bank of the district. The loans are first of all approved of by the National Farm Loan Association by a loan Committee, which inspects the land and passes upon it. Then they send up the application to the Land Bank, and the Land Bank has an appraiser, who also examines the security. The Land Bank obtains the money which it will loan partly from capital and partly by the sale of bonds. Those bonds in the United States are not guaranteed by the Government.

By the Chairman:

Q. Did Mr. King not touch upon these points? If we had the time, we would be glad to go over all of them again.—A. I do not want to go over the whole thing, Mr. Chairman. The bonds in the United States are not guaranteed by the Government, but they are exempt from taxation.

Q. Exempt from what taxation? A. From all taxation, Federal, State and Municipal. If it should be contemplated to establish such a scheme in this country, in my opinion the people whom I represent would not be in favour of those bonds being exempted from taxation. We think it is a great mistake or a great misfortune that any of our bonds are exempt from taxation, and we would like you to know that we do not wish that to be done; we do not think it is good business. Possibly it would be better to give the guarantee of the Dominion Government.

Q. Do you think that we have had a happy issue out of guaranteeing bonds of other institutions in Canada?—A. I think it would be worth while for the Dominion Government to borrow money at 5 per cent or thereabouts and make it available for loans to farmers on long terms at 6 per cent.

Q. A straight borrowing by the Dominion rather than the endorsing of bonds issued by a Land Bank?—A. Yes. That is where the Dominion Government can assist the farmers, without any direct expense, without any expense to the Dominion. The security is there, in the farms, but the individual mortgage is not as good a security as all the mortgages. Under the system they have in the United States, every farm, or every farmer who is in that scheme has pooled his security with all the other farmers, because in the first place they have the capital they put in and the double liability. Then the bonds are guaranteed, the bonds of each Land Bank are guaranteed by all the Land Banks, and the whole thing is knitted together in such a way that it is co-operative credit, all the farmers in it are pooling their credit.

Q. They are at the present time getting their money at 4½ and lending it at 5½ per cent?—A. I do not think Mr. King went into the next stage above the Land Banks, that is, the Federal Farm Loan Board. That Board consists of the Secretary of the Treasury and four others appointed by the President. Those four others, who receive a salary of $10,000 per annum and give their whole time to the business, supervise the whole thing; they also have in their employ examiners who examine the Land Banks, and that is part of the contribution the United States is making to the scheme. Again, you will understand that if the Land Banks are going to issue bonds on the security of mortgages, they must first of all have some money to loan in order to get the mortgages.

Q. In order to make the mortgages?—A. Yes. It was provided that each of these Land Banks should have a capital of $750,000, and any of that stock which was not subscribed within thirty days after the subscriptions were opened was to be subscribed by the Federal Treasury. As a matter of fact practically the whole of it was subscribed by the Treasury. $750,000 to each of the twelve means a total of $9,000,000. It is provided that that stock subscribed by the Government shall not receive any dividends, but the stock that is subscribed by others, practically the Farm Loan Associations and through them the farmers, is to receive dividends when they are earned, and in order that the Government may get back its money, the $9,000,000, it is provided that out of the amount of stock subscribed by the farmers 25 per cent is to be set aside and paid to the Federal Treasury to retire the Treasury stock, and more than one-half of the stock which was subscribed by the Federal Treasury has now been paid off.

Q. How much has been paid off?—A. More than one-half of it.

Q. The scheme has been working how long?—A. The first loan was made in 1917.

Q. This is most interesting; can you refer to just where you got this information, so that we may get it too?—A. I have here the Sixth Annual Report of the Federal Farm Loan Board.

Q. What date does it bear?—A. It is for the year ending December 31st, 1922.

Q. It is a public document; they generally number their documents, in the United States; has it a number?—A. It is Document 560 of the 67th Congress, Fourth Session, House of Representatives. I took off some figures up to the end of November, from a report I had received at that time.

Q. Excuse me, but does this report which you have had in your hands, and which is the last report, have figures too, because if it does we will get the report and look at the figures rather than at figures which are a little on the old side? —A. They loaned up to the end of 1922 $684,407,289.

Q. Do they say what their overdue payments were?—A. No, but they do say that their overdue payments and all the lands that have been foreclosed have been written off.

Q. Of course that is a very easy way of disposing of the situation; do they say how much has been written off?—A. No, sir.

Q. Have you read the last report yourself?—A. Yes, I have read it, and there is a summary here, one paragraph which summarizes the whole thing.

> "To summarize briefly, the twelve Federal Land Banks have, during the year, sold to the public all the farm-loan bonds they desired to offer; have reduced the rate of interest to borrowers one-half of 1 per cent, and met all the calls upon them where applications were satisfactory, having closed 74,055 loans, in the aggregate sum of $224,301,400; have retired treasury stock to the total of $2,333,890, and voluntarily repurchased farm-loan bonds held by the Treasury in the sum of $70,150,000; have charged to their undivided profits all lands acquired by foreclosure and all instalment and interest payments more than 90 days overdue; and, after doing this and paying liberal dividends to shareholders, have nearly doubled their reserve account by adding thereto more than $1,300,000, and start on the new year with an undivided profits account $1,117,597.36 larger than a year ago. This would seem to be a result in every way satisfactory."

Q. Who is at the head of that Board; what is his name?—A. This report is signed by A. W. Mellon, Secretary of the Treasury.

Q. Whoever is responsible for that situation should be proud of it.—A. Of course that bears out the statement Mr. King made, that the whole scheme can very soon be taken over by the farmers, with the assistance the Government is giving and in the payment to the Federal Farm Loan Board, with just those five men at the head of the thing and their officials. The free capital the United States has invested will very soon have been retired, and the profits that have been made will be amply sufficient to carry the thing on. They have paid in dividends up to December 31st, 1922, $4,574,292.96.

By Mr. Sales:

Q. Dividends to whom?—A. The Lands Banks have paid that in dividends to the National Farm Loans Associations, which are the local organizations.

By the Chairman:

Q. And the local shareholders?—A. These associations are building up reserves, making the thing more secure all the time.

By Mr. Sales:

Q. This is not all interest to the bondholders, but dividends to the people who borrowed the money?—A. Yes.

Q. Cash dividends?—A. Yes. I have not come here with a cut and dried scheme for Canada. What I wanted to put before you was that we want something like this, and that we have the experience of other countries, which is sufficient to guide us, and which demonstrates the fact that it can be carried on as a concrete business proposition. It is not a matter of the Dominion Government subsidizing borrowers, or anything like that. There is one way in which it can be done in this country, that is, to establish a system like the Federal Farm Loan system.

Q. Is that your view?—A. I think you might possibly work more easily along the lines of the second suggestion I wish to make, that is, to take advantage of the machinery that is now in existence in Manitoba and Saskatchewan at least, as well as Ontario.

Q. We would feel very much more enthusiastic about Manitoba and Saskatchewan if we had the amount of unpaid instalments and unpaid portions of capital.—A. Mr. Chairman, even supposing there is a considerable amount overdue, I think that is only a perfectly natural state of affairs, and that you cannot condemn the mortgage business—

Q. I am not condemning the mortgage business, do not infer that for one minute; I am only saying that we, or personally I would feel more enthusiastic about recommending the system of Saskatchewan and Manitoba if I knew more about it, and had some of the information which is vital to me before I can form a reasonable opinion upon the situation.—A. The Farm Loan Commissioner in Manitoba, Mr. Laughlin McNeil, told me a little while ago that they had not made any losses.

Q. There has been a very interesting report prepared by a gentleman named Jackman, who had a somewhat different view.- A. But that does not relate to this matter at all.

Q. What is the name of that gentleman?—A. Laughlin McNeil, Farm Loan Commissioner, Farm Loans Association, Winnipeg, Manitoba, or Farm Loans Board.

One suggestion I would like to make as to how this can be done is that you should utilize the Provincial systems now in existence in Ontario, Manitoba and Saskatchewan at least, and other similar systems which may be created, and that the Dominion Government should give assistance to them by purchasing their bonds, that the Dominion Government should provide the money to be loaned through those associations.

By Mr. Caldwell:

Q. What security would the Dominion Government have; should it take security direct from the province for this money?—A. The bonds issued, they are provincial bonds.

Q. The Dominion Government should buy provincial bonds?—A. The Manitoba Farm Loans Association I believe is contemplating making an issue of bonds of its own. They believe that they can issue those bonds just about as well as the Provincial Government can, because they have the security of all the mortgages, and if the Dominion Government would provide the money in that way, it would enable the farmers to get their money at a low rate of interest.

By Mr. Sales:

Q. You think the Dominion Government should charge that interest to them, or follow the United States example? —A. The United States Government only provided some capital to start the thing. The Federal Government did not give them their bonds free of charge.

By the Chairman:

Q. If the Dominion Government supplied an amount comparable to that supplied by the United States Government to help found their Land Banks, which I understand was some $9,000,000, and if their population is roughly twelve times our population, I suppose the Dominion Government would supply something less than $1,000,000—A. But that was capital, Mr. Chairman; that was only a small proportion of the loanable funds; the great proportion of the loanable funds came by bonds.

Q. And those are the bonds to the credit of the organization itself, and do not represent funds supplied by the Government of the United States?—A. No, sir.

Q. You know there is a mentality in this country that is not confined to the East or West, North or South, that looks to the Dominion Government to find money for almost everything that is required within the country bounded by the Atlantic and Pacific, Baffin's Land and the United States border.

Mr. SALES: Especially by the Atlantic.

The WITNESS: But this money is to receive interest. I am not asking that the Dominion should provide one cent without interest.

The CHAIRMAN: I am not accusing you of being endowed with that mentality, Mr. Ward. I am making an observation that I think is consonant with facts.

The WITNESS: What we want is that the credit of the Dominion shall be utilized to enable our people to get their money at a reasonable rate of interest. The rates of interest they are paying now are too great for them to bear. They are paying eight and nine per cent for their money, whereas their neighbours across the Line are getting it at 5½. Our people have to compete with them, and I think if we can do something that will enable them to get their money at six per cent, or something like that, that would be good business for the Dominion of Canada.

Q. Do not interpret my words as being unappreciative of the value of these schemes or unsympathetic with them, but really it is wise sometimes to protest a little against the idea that seems abroad in this land, that the Dominion Government can supply money for almost everything, even for things which are essentially Provincial matters.

By Mr. Caldwell:

Q. Mr. Chairman, I think the witness said that the Federal Government only provided $9,000,000 as the initial capital for these land banks?—A. Yes, a little less than that.

Q. Did not Mr. King state that it was less than that?—A. He was talking about something else, he was talking about the intermediate credit when he said that.

Q. Done through the same banks?—A. No, a different system.

The CHAIRMAN: I think Mr. Ward's evidence on this point has been of great value to us in emphasizing certain features, which were mentioned perhaps at more length in Mr. King's excellent representation of the whole field. We have with us this morning Mr. Bowman., and I am anxious to get him on if we have finished with Mr. Ward. Any other questions from Mr. Ward. Then we are very much obliged to you indeed, Mr. Ward, for the information you have given to us this morning.

CHARLES MARTIN BOWMAN, Called and Sworn.

By the Chairman:

Q. What is your position, Mr. Bowman?—A. I am here, Mr. Chairman, in my capacity as Chairman of the Executive and the Investment Committee of the Mutual Life Company of Canada.

Q. That company has its head office in Waterloo, Ontario?—A. Yes.

Q. And I understand, Mr. Bowman, that you have a good deal of money invested in Western Canada, or your company has?—A. Yes.

Q. And you, as Chairman of your Investing Committee, have been obliged to be in pretty close touch with Western conditions and you feel that you can

give us some information of value in our investigation into rural conditions in Canada. You have possibly prepared some facts which you would like to place before us, and we will reserve the right to question you as you go along, perhaps. —A. Mr. Chairman, I will be very glad to answer any questions that are in my power to answer. I have certain matter prepared, and if I may be permitted to give it, it may meet the views of the Committee to reserve their questions until the end, as it is rather disturbing?

Q. We often promise that to the witnesses, Mr. Bowman, and we make the promises in good faith, but I have never seen us quite keep them.—A. Then that is all right, Mr. Chairman. The Mutual Life Insurance Company of Canada has been loaning money on mortgages in the three Western, the Prairie Provinces, since 1899.

During that period the gross amount of mortgage loans made in these three Provinces is $22,903,806.22. Divided as follows:—

Manitoba, $11,369,554.

Saskatchewan, $9,398,433.

Alberta, $2,135,818.

Of this amount to-day there is in force, or there remains as unpaid principal, the amount of $12,130,779.62.

We started loaning in Manitoba in 1899 and have continued ever since. The company started in Saskatchewan in 1903 and at a later date in the Province of Alberta, which accounts for the fact that there is so much larger an amount still in Manitoba than in Saskatchewan and a larger amount in Saskatchewan than in Alberta.

As a result of the fact that the Mutual Life has loaned this substantial amount of money in the Western Provinces, and in view of the fact that the Mutual Life to-day is carrying on an aggressive loaning policy in the Western Provinces, you will appreciate that it has been necessary all these years for the head office executive of the Mutual Life to keep in very close touch with Western conditions, and particularly in connection with Western farm conditions, for the reason that fully 75 per cent of the amount which we have loaned in these three Provinces, is represented by farm loans. We have paid particularly close attention to the Western situation during the past four years. We have loaning organizations, one in the City of Winnipeg, one in Regina, one in Saskatoon, and one in Edmonton, in charge of men who we consider very competent loan managers, three being Scotchmen and one an Irishman.

Q. All Canadians, I suppose?—A. Well, I don't think they were all born in Canada. They are Canadians of course but one of them at least is not native born. A very careful investigation has been made from time to time by our own men, continuously, and also at least once a year two of the head office executives make a very extended trip through the Western Provinces. It has fallen to me to be one of the executive officers, along with the General Manager, to make these trips during the past four years, and during these trips we have travelled thousands of miles in the rural districts of these three Provinces. The conclusions which we have arrived at are the result of all the reports and views of our own loan organizations, and of our own personal views and observations as we have travelled amongst the farmers of the Western Provinces. And I am here to-day, Mr. Chairman, to report that as a result of all this the Mutual Life Insurance Company is hopefully optimistic to-day regarding the Western farm situation, and we evidence this hopeful optimism by the fact that at every Board meeting Western farm loans are passed upon and accepted by our Directors.

But there is one phase of the loaning situation in the West to which we pay very much more strict attention than we ever have in the past, and that is the

question of the moral hazard; we pay more strict attention to the individual and to the record which the individual farmer has made than we ever have in the past, and I will endeavour to state the reason, Mr. Chairman, why this is the case. I am not here in a critical spirit; I am here as an optimist regarding the West, who has the most unbounded faith in the West, and who, by reason of the responsibility resting upon his shoulders, handling trust funds, life insurance funds, requires to look into everything very carefully, very dispassionately, to arrive at sound conclusions to enable us to continue to invest these trust funds as we have been doing in the Western Provinces. I realize that the Western farmers are grappling with probably the most serious financial problem they have ever grappled with; but in this respect they are not alone, they are grappling with conditions which affect farmers all over the world; in the United States, Great Britain, on the Continent of Europe and all over.

It may be interesting to devote a short period to the consideration of the causes which have brought about this condition. I appreciate the fact, Mr. Chairman, that the Western farmer to-day is suffering by reason of the abnormal prices he has to pay for commodities, as compared with the prices he obtains for his own products. I appreciate the fact that the Western farmer is suffering from abnormal transportation rates. And so are we all suffering from these two sources. Probably the main reason why the Western farmer, and farmers all over the world, are suffering to-day, is by reason of the crisis which developed after the war, and the deflation which has hit the farmers all over the world worse than the deflation has so far hit the urban population in this and in other countries.

Q. May I interject a remark there. You will tell me whether you think I am right. In certain lines of activity among urban dwellers, prices are not being deflated, they are on the upgrade again?—A. Unfortunately that is true, Mr. Chairman. I regret that exceedingly. In connection with the deflation which has taken place, one of the difficulties of the situation and what has made the deflation more serious not only for the farmers but for the urban population, is that prior to the deflation in 1919 and 1920, the entire world, and more particularly the North American Continent, indulged in the greatest economic spree of modern times. We all went through that experience, Mr. Chairman. We are all, or a great many of us, still suffering from a headache as the result of that spree. But it is the Western farmers probably who are suffering more on this account by reason of the way in which their affairs were conducted during that period of inflation, and right here, Mr. Chairman, I would like to read an extract bearing on that point, from a letter which is the production of a Saskatchewan farmer, who came to Saskatchewan from the State of Illinois, has carried on very successful farm operations on his own account and through his sons, and who in addition is a very large landowner and has a great many tenants in the Province of Saskatchewan. Here is his sizing up of the situation, and when I read these words I want you to remember that it is not my language but it is the language of a Saskatchewan farmer.

Q. Is it your thought, does he express your feelings in that letter?—A. I think he does. This man is Mr. C. W. Williams, who lives on Regina Plains between Regina and Wilcox.

Mr. CALDWELL: Is that the man we had before us the other day?

The CHAIRMAN: No.

Mr. BOWMAN: Mr. Williams has I think 20 or 30 tenants. At the first of the year, in January, he sends out a letter to his tenants, and this is his letter of January 1st, 1922, to his tenants.

To All Tenants:

"'For whatsoever a man soweth, that shall he also reap.' That saying is as true to-day as when our Master uttered it almost two thousand years ago. We as farmers of America have been sowing automobiles, tractors, trucks, gasoline engines, electric light plants, lightning rods, fine buildings, elegant furniture, loud wearing apparel, and riotous and dissipated life. We have neglected our farms, refused to labour, and have spent money like drunken sailors, and now we are harvesting what we have sown in the years gone by, and it's a harvest most of us will not soon forget—one of sorrow and regrets, and great financial losses. The immediate future is not bright, but the clouds if we are worthy will some day pass away. *It is back to the farm—and back to the horse—back to hard work—back to economy—back to an honest industrious life before God and man*, and for those who accept this program there is a brighter day coming. We are no worse off than farmers all over America, all have gone down together, for the same causes have brought about the same results, but located as we are in the greatest spring wheat country in all the world, we should recover from our present financial condition sooner than others, and will if we have faith in ourselves and in our great country."

By the Chairman:

Q. Was that accompanied by a declaration reducing the rent?—A. I might say that Mr. Williams does not run his farms on a certain cash basis, it is on a crop basis.

Q. Was he suggesting a division of the crop which would give the tenant a larger return?—A. I do not know as to that. I might say that this is a pen picture not only of what has happened to the farmers of America, but it is a pen picture of what has happened to a very large percentage of the urban population of North America. We are all in the same boat, suffering from this same spree, and I think the time has come, when as you are doing here, a careful investigation, a careful review of the situation is in order, to see what the future has in store. If it is impossible to remedy these difficulties, then the future is very dark, but I am here as an optimist to-day.

By Mr. Sales:

Q. Is it not true that all the rest of the people have been "sowing" automobiles and so on, with this difference, that they include the cost of "sowing" automobiles in their overhead expenses and pass it on to the farmers who do not pass it on to anybody else?—A. There may be a certain amount of that. In that connection, also, I do not want to get too far away from my statement that the western farmer is suffering to-day on account of the abnormal prices which he is paying for commodities. I think an investigation would show that a very large percentage of that abnormal price which he pays is due to the abnormal cost of distribution in this country for commodities.

Q. The point I would like to make before you go further is that while we have all been on a spree, the farmer is the man who has to pay for the spree.—A. He is paying to a greater extent than the urban population. They, I am afraid, are going to get their headache a little later on.

Now, Mr. Chairman, if I may be allowed to proceed, as far as the western farming situation is concerned, I just referred to some of the things that led to this condition. There is another phase of the western farming situation that has aggravated the situation of so many farmers to-day. In 1919 and 1920 a great many farmers acquired additional land for which they paid a great deal higher price than the land was actually worth, and a great many of them have

tied themselves up with abnormal liabilities in this way, and they are suffering from this cause. Another reason why so many of the western farmers are suffering to-day, from a financial standpoint as I see it, is that in the past they have been too free in accepting easy credit. That is, easy credit furnished by implement companies, in many cases by banks, in some cases by loan companies, and in some cases too easy credit furnished by governments. In this connection, just allow me to take the Province of Saskatchewan as an example, as to the difference between what can be accomplished if things are worked along certain lines, or if other methods are adopted. In 1919, I think there were a great many farmers in the Province of Saskatchewan who were short of seed, and arrangements were made to furnish them with seed, and there was a conflict between the viewpoint of the loan companies and that of the government as to how this could be brought about, whether the effect of the legislation regarding the advances made to the farmers in the shape of seed advances had prior claim to the mortgage. In 1919, there was a conference held between the representatives of the loan organizations and the Government of Saskatchewan to provide some machinery to get together and arrange for a satisfactory working out of this. In connection with the seed grain situation in the spring of 1920, the officials of the Saskatchewan Government informed the mortgage loan organizations that they estimated it would take $2,000,000 to finance the seed grain advances for the farmers of Saskatchewan, that were necessary at that time. The loan companies thought that was entirely too high, and made the suggestion that the advances should be made to the loan companies, that they would deal directly with the individual farmer, and that a great deal of money could be saved in that way and that very much smaller advances would be required under these circumstances. The arrangement was completed, I think for 1920 the Province of Saskatchewan guaranteed these advances, the result being that the total seed grain advances that were found necessary to the farmers who had mortgages on their farms in Saskatchewan amounted to $250,000 instead of $2,000,000, and no farmer with a mortgage on his farm went without seed that spring.

Now, I think there is another reason, Mr. Chairman, getting down to a sound basis, why the western farmer finds himself in such an unfortunate financial position to-day. I think one of the main reasons is on account of his failure to practice sound economics and sound farming methods. Some of the western members here who are farmers may criticize me very severely as an Ontario man, not a farmer, making a statement of that kind, but I make that conscientiously as a result of the four years investigation which has been made in connection with the Mutual Life Insurance Company of Canada. As a result of our investigation, travelling in the West, I have come to this conclusion that a percentage of the western farmers have always followed sound economics and sound farming methods, and they are not in trouble to-day, but the tendency in the West has been to farm entirely too much land, and probably during the war on account of the high prices, there was a natural tendency to get in as many acres as possible, the result being that in a great many cases more weeds were grown on the land than grain, which resulted in a serious condition. I just want to say this, in all candour, Mr. Chairman, that if the Ontario farmer, during these past five years, had carried on farming operations and disregarded sound economics and sound farming methods to the same extent as has the average western farmer, the Ontario farmer to-day would be in just as serious a financial plight as the average western farmer is to-day.

By Mr. Gardiner:

Q. Before leaving that point, I do not want that to go unchallenged. Is it not a fact that after it was realized that it was necessary for western Canada to grow more wheat in order to support the Allies, the Dominion Government

sent out representatives to Western Canada and demanded or asked the farmers to not only put in the land which they had summer fallowed, but also to put in land for the second and third and fourth time, and are they not responsible for a great deal of that?—A. That may be true, but whoever is responsible for it that is the net result of the situation to-day, that many many farmers find themselves in that unfortunate position because of the attempt to farm too much land in a way that it is impossible for it to produce crops on a satisfactory basis.

Q. You are, to all intents and purposes, laying the blame more or less wholly on the shoulders of the western farmer. I remember well the time when that propaganda was being put out by the Federal Government, and I remember that the present Minister of Agriculture pointed out that the Government was making a big mistake in doing that. He said that if the farmers of the west would continue farming along the same lines they would produce more grain in the long run.—A. I think his advice was absolutely sound.

Q. That is all right, so long as we understand the situation.—A. I hope the members of the Committee will not misunderstand me. I am not here in a critical mood, I am simply stating the bald facts as we have learned them. It is not that I want to damn the western farmer because he has followed that course. I do not; I am just endeavouring to point out some of the difficulties that have to be overcome. We must get the West down to a sound economic basis, and this is what I want to point out to this Committee. I have been very much interested in the evidence of the preceding witness, and even though I am connected with an institution that loans money at 8 per cent in the West, I am greatly interested in the western farmer and the farmers of this country getting money at as low a mortgage rate as possible.

By the Chairman:

Q. I think that we understand your attitude completely, but as there was an inference—possibly an unintentional inference—that the western farmer was responsible for this bad farming, I think it is only fair that along with that statement should go the explanation you have given.—A. I think that is quite right.

By Mr. Milne:

Q. I think, as a matter of fact, the western farmer has been trying to follow the advice that has been thrown out for the last twenty-five years, and it has led nowhere.—A. A good farmer in the west does not follow anybody's advice, but his own judgment, and before I get through I want to deal with the development that is going on in the west to-day and the reason for the optimism which we have in the Mutual Life office in connection with the western situation. It is not beyond repair, it is going to work all right, and it is just a matter of a short time until the west is going to be in a good sound financial shape. I will deal with that a little later on.

I want to point out this, in connection with the question that has just been asked me, about the advice that has been given. That is undoubtedly true. The cheapest thing in the world to give is advice, but I want to say this, that there never has been any place in the world, and there never will be any place in the world where agriculture can be carried on successfully in the way in which the average western farmer has carried on his operations during the last five years or so. Coming down to the present time, dealing with 1922—

Q. Before we pass that point, why do you lay emphasis on the western farmer? We have had evidence here that the eastern farmers are in the same difficulty as the western farmer.—A. Mr. Chairman, the reason I am dealing with the western farmer is because I am here to present the views, purely and simply in connection with the western farm situation. The reason that has

prompted me to come before the Committee is because I have been reading in Hansard the blue ruin speeches made by some of the western members here, and which I think are entirely contrary to the facts, and the viewpoint which we hold regarding the west. The blue ruin pictures drawn by these gentlemen were absolutely at variance with that hopeful optimism which we possess, and it was with that endeavour, to come down and give you the effect of an Ontario viewpoint, and to give these gentlemen the understanding that there are still people left in Canada who have not the blue ruin ideas regarding the west, that I came down here.

By Mr. Gardiner:

Q. Does that mean that you still hope to ride on the back of the western provinces?—A. I will answer that. I just want to say in that connection, regarding riding on the farmers' back, and I say this in all kindness, we are not riding on the back of the western farmer. I represent the Mutual Life Insurance Company of Canada. The loaning of money is simply incidental to our business, which is the selling of life insurance, and the investing of the funds which our policy holders place in our hands is simply incidental to the protection we give. We must, in carrying out our business, invest these funds to the best possible advantage, and I want to say to you that the Mutual Life Insurance Company of Canada does not make the western rates, and I am looking forward to the day—and I hope it may come soon—when the mortgage rates in this country will be on a proper basis. To-day, they are abnormally high.

By Mr. Sales:

Q. Do you invest in school debentures?—A. Yes.

Q. At what rate?—A. At the present time the rate is somewhere around 6 per cent or 6¼ per cent.

Q. I remember an insurance company buying our school debentures at 5¼ per cent.—A. We have bought them for less than that.

Q. And at the same time, I had a mortgage with the same company of $1,000, and I had to pay 8 per cent. Can you explain the difference?—A. The difference was simply this, the one was a security, a bond of the community, and the other was an individual security, and from the standpoint of the Mutual Life, our rate to-day is 8 per cent. We are charging that because that is the standard rate, and as trustees of the funds of the policy holders, even though personally I have the view that these mortgage rates are high at the present time, we would not be justified in investing the money of our policy holders at lower than current rates.

By Mr. Gardiner:

Q. You mean, you would not be justified in lending at a lower rate than all the traffic will bear?—A. No, it is not a case of what the traffic will bear. For the last two years, if we had undertaken to charge the western people all the traffic would bear, and had charged the rates some other companies charged, our rate would have been higher than 8 per cent.

Q. Have you never charged a higher rate than 8 per cent?—A. Our official rate has never been higher. Two years ago our Alberta loan manager, of his own accord, put through some loans at 8½ per cent. Before the war, our rate in Manitoba was 7 per cent, and I am looking forward to the time when that rate will return.

Q. Do you loan any money in Ontario?—A. We do.

Q. What is the rate there?—A. We have made very few loans within the last two years; our rate for the last two years has been 7 per cent. Two years ago we put through an Ontario farm loan at 6½ per cent.

The CHAIRMAN: It is one o'clock, gentlemen, and we will have to adjourn and have Mr. Bowman come back this afternoon. I think we had better adjourn now until four o'clock this afternoon.

The Committee adjourned until 4 o'clock p.m.

Afternoon Session

4 p.m.

The Special Committee appointed to inquire into Agricultural conditions throughout Canada resumed at 4 p.m., Mr. McMaster, the Chairman, presiding.

C. M. BOWMAN recalled.

The CHAIRMAN: Mr. Bowman, will you resume? You have not forgotten where you left off?

WITNESS: No, I think I was trying to present the viewpoint to the Committee this morning that, to a large extent, the present serious financial difficulties of so many western farmers were due to their disregard during the last five years of sound economics and sound farming. I want to emphasize that statement by saying that in the judgment of myself and the executive officers of the Mutual Life Insurance Company, who have made investigations it would not be an over-statement to say that 75 per cent in the main of the present financial difficulties of the western farmer, as they exist to-day, is due to that fact. And it is because of that fact that we are so optimistic regarding the future, because we think that that is a matter which can be remedied by the farmer himself. Just as a concrete case, to bear out the force of this statement which I have just made, I desire to call the attention of the Committee to what has occurred in a section of the Province in Alberta, the Hanna district, a district in which the loaning experience of the Mutual Life has not been at all satisfactory. We have a few loans there, and of recent years, we have had very little, if any, interest payments on the loans we have had there. I think that that fact is largely due to the method in which our borrowers carried on their farming operations. In connection with that, I desire to present to this Committee some very interesting facts as to what has been accomplished in that district by a farmer who has been there for a number of years, who has farmed the same land for the past eleven years, and who during that entire period has never had a crop failure, entirely due to the manner in which he carried on his farming operations.

By Mr. Elliott:

Q. Just how do you arrive at that conclusion?—A. What conclusion?

Q. That the position of the western farmer is due largely to poor farming and extravagant methods?—A. By reason of personal investigations which we have made through our organization.

Q. Were these investigations made by an agriculturalist, or by some one sent out from your organization?—A. From our loaning organization, which exists in the western provinces, and through our own investigations, personal

investigation of a great many farms, and by comparing the methods practised by farmers who have been successful and who have been able to meet their interest payments, and in a great many cases, their principal payments, with those who are not able to do so. In this connection, I want to place before the Committee—

Q. In this connection did you find that the standard of living of those farmers of whom you complain, those farmers who did not meet their obligations, was greater than it should be?—A. No, I would not say so.

Q. Or greater than that of those living in the city?—A. I would not say so. In a great many cases, the standard of living was not up to what I would like to have seen it. Getting back to the Hanna district, there is a rather acute situation existing there, around Sibbald, Hanna, and through there; and I wish to place before the Committee a concrete case of what has been accomplished by one man who has demonstrated that the land in their district can be successfully worked, and satisfactory results obtained. He has been farming for eleven consecutive years. I refer to Mr. R. K. Bohanan, who cultivates quite a large block of land close to the town of Sibbald, in northeastern Alberta, not very far from Hanna. It is practically on the fringe of what is known as the Hanna district in northeastern Alberta.

By Mr. Gardiner:

Q. Central Alberta?—A. Central eastern Alberta. This man has been farming the same land for eleven years, and he has never had a crop failure, entirely due to the method in which he handles his land. I have here a letter from the postmaster of Hanna, W. C. Stirling. I wrote him for some information regarding this man, and he writes me as follows:—

"Mr. G. A. Robinson of the Calgary office"—

I may say that Mr. Stirling is the local agent of the Mutual Life, and Mr. Robinson is our district manager at Calgary. (Reads).

> "Mr. G. A. Robinson of the Calgary office asked me to write to you further particulars of the Bohanan farm and the financial status of the owner.
>
> "I know Mr. Bohanan quite well, and have absolute confidence in his word and he has told me that he has his 800 acres of land all clear, of which he cultivates 400 acres, 200 each year on summer fallow.
>
> "He has a good outfit of machinery and plenty of horses and cattle, and does not owe a dollar to anyone, and besides has sold a good deal of stock on time so that he has plenty of notes, in his favour.
>
> "He has one son interested with him in the 800 acres, I think that half a section is in the son's name, but no mortgages.
>
> "Another son is a Professor in a college in Iowa, having made considerable money on Alberta land in the good years, he owns land beside his father, and rents it out, but he is not now farming by the same method as his father, and last year he only got an average of 15 bushels on his best land, while his father got 25, and 33 on a ten-acre registered seed patch."

In this connection, I desire to call the attention of the Committee to a report in the Hanna Herald of December 7, 1922. Mr. Stirling became acquainted with Bohanan, went to his farm and investigated his methods, and found that year after year Mr. Bohanan had good crops when practically nobody else in that district had good crops. He got Mr. Bohanan to go to Hanna and address the Board of Trade. They had a large gathering of farmers, and

Mr. Bohanan gave him the benefit of his experience. With the permission of the Committee, I desire to read several extracts from this Hanna Herald. This is what the newspaper says:

> "Mr. Bohanan has, by his system, made a most valuable contribution to the farming profession in the dry parts of Alberta. We doubt whether a better service has been done by any man unless Seager Wheeler and Doctor Saunders, and when Mr. Bohanan's method of weed control and moisture conservation becomes generally accepted, it may prove that this is the greatest discovery yet.
>
> "This method may prove the success or failure of the Hanna district, as we understand that a large number of our best farmers are ready to adopt it."

This is what Mr. Bohanan stated at the Hanna Board of Trade.

> "Mr. Bohanan makes the unqualified statement that Western Canada in general is the best country in North America and that no man need look further for a farm home than in this part of Alberta, and that he would not hesitate to start farming on right lines anywhere in the Hanna District and make a success of his farming operations. He makes no difference in the soil possibilities, as all our land he considers particularly fertile, but that sand he considers will play out first, and is more subject to drouth than the heavier land."

I desire to make a further reference—.

By the Chairman:

Q. I think it would be interesting, if you have the information, to tell us what method this gentleman adopted?—A. I propose to come to that. In the Hanna Herald of March 29, 1923—I may say that Mr. Bohanan's address to the Hanna Board of Trade created so much interest there that following along, in practically every issue of this paper, there have been references to the work of Mr. Bohanan, and he has been answering questions which have been asked him by other farmers. In this issue of March 29—.

Q. I suppose, Mr. Bowman, that the farmer is about the only producer who, when he finds a good method, spreads it around among his neighbors. Manufacturers, when they develop an improvement in production, do not tell their neighbours about it?—A. Frequently they do not.

Q. I think Adam Smith pointed that out in his "Wealth of Nations," that the farmer was one who always let any improved methods be known to his neighbours.—A. In this issue of March 29, Mr. Bohanan writes a lengthy letter, giving a resume practically of his life, covering two and a half columns. At the conclusion he says—I interject this to say that he came from the Southern States, the State of Tennessee, that he afterwards went to Illinois and Texas, and then to Alberta. Here is his final judgment, after living in Alberta for many years and making a success of farming. (Reads).

> "We then moved out to our present location on Section 33, Range 2, West of 4th and are doing our best to make a go of it. The holdings of myself and boys consists of 3,420 acres of land, all pretty well improved, and I think we have done much better for the family than if we had lived in Illinois."

That is to my mind, an important statement that he makes there.

> "Had my good wife and I lived in Illinois until the grim Reaper came along, we probably would have left our boys 60 or 80 acres of land

each. As it is, they are learning to scratch for themselves here which is a good lesson for them. My wife and I will soon have been married 50 years, as we were married on December 15, 1874."

There is another letter from Mr. Bohanan. It is very interesting as dealing with the situation this Spring, and it leads up to his method of farming. It is a letter which appeared in the Hanna Herald issue dated April 19th. Mr. Bohanan wrote to the Editor of the Herald as follows:

"Sibbald, April 17th, 1923.

Editor, the Herald:—

"We are working on the land now with the Acme harrow and will be seeding soon. We are about a week earlier than last season. The land is in fine shape for crop this spring, with plenty of moisture to start the crop. With a few good showers later on we should have a good crop on good summer fallow.

"I was in Sibbald yesterday and was talking with some of the implement men. They say they could sell several car loads of cultivators if the farmers had money to buy, or could buy on time, so something has made quite a stir among the farmers in the Sibbald country.

"A good many of our farmers here will not be able to put in any crop this spring because they haven't money to buy seed grain and feed for their work horses. One party offered to mortgage any and everything he had for money to buy seed grain to sow 150 acres of summer fallow. So you see things are in bad shape here.

"I can get along all right because I haven't had any crop failures, so I guess it would be a good plan to adopt the summer fallow system and quit trying to raise crops on stubble."

Mr. Bohanan has never put any grain in any stubble for the last four years. He has never used a plough on his land. He cultivates it with cultivators. He discovered a system of moisture conservation and through his process of farming has eliminated weeds from his farm, so he has clean land, and with the limited amount of moisture in that district has raised good crops successively for eleven years. Last year on 150 acres he raised 25 bushels to the acre, and on a ten-acre lot which he is raising for seed purposes, his average was 33 bushels. The moral is, if his neighbours had carried on the same operations in the same way they would have had a similar degree of success, and if the same system of farming had been carried on during the eleven years in the Hanna District, we would not have the tale that we get from that district, because the conditions are much better. The reason I am bringing this before the Committee is, that 75 per cent of the financial troubles of the western farmers to-day are due in our judgment to an absolute disregard of sound economics and sound operation, and our hope for the future is based on this, that we have evidence that the western farmer is being convinced that this is an absolute fact. We are optimistic because we see evidences all along the line that they are paying more attention to what, in my mind, is the greatest factor in bringing back prosperity to the west, and that is, the practice of sound economics and sound farming, and the western farmer is paying attention to these factors, as he never has before. That is my reason for bringing before the Committee these facts at this time. So far as the Province of Alberta is concerned, I have another concrete case. I have a letter here from the party himself. It was sent to Mr. Robinson at my request. He gives me the history of his life. He has been farming for many years in Southern Alberta. I think I am correct in saying it is considered to be in the dry district. It may not be in the dry district but it is in Southern Alberta. This man has been very successful. He has suffered the

same as other farmers, by being too optimistic in 1920 and buying more land at a very high price, which has caused him some trouble, but not very serious trouble, and—not breaking this man's confidence—I might say he is a Frenchman; he came from Old France after he lost his right hand—he has been operating all these years with that handicap, and he has been signally successful. I just wish to read the last page of this letter and if any member of the Committee wishes to see it, I have no hesitation in lending it to him, because it is not for publication. I do not wish to have this appear; (witness reads portion of letter).

By Mr. Gardiner:

Q. Does he follow a system?—A. Of summer fallow. The land that he puts in crop is summer fallowed.

Q. Does he follow the Bohanan system?—A. No. If one man can proceed in that way, and the other man does it the same way, he can expect some measure of degree of success similar to it.

By Mr. Sales:

Q. There is a very unfortunate factor you have got over very nicely, that is the large family.—A. That is a factor, alright.

Q. You are aware of the fact that we spend two or three million dollars a year on experimental farming?—A. Yes.

Q. What is your idea with regard to these experimental farms?—A. I do not know that I am in a position to give an intelligent answer to that. I think there are a lot of experiments carried on in an experimental way, where many of them, if they were applied, might work out in a practical way; many of them would not.

Q. The reason I asked that is, you made a statement that Mr. Bohanan uses certain methods in his cultivation?—A. Yes. Mr. Bohanan has demonstrated in eleven years that he has had eleven consecutive crops and has never had a crop failure. I am not interested in theory. I am interested in the actual results we get. That is really the acid test.

Q. When you get people coming to this country from every country of the globe and they have the experimental farms, just as much as they had, they naturally look to the experimental farms to give them the idea how they should conduct their business.—A. I appreciate that very much.

Q. I heard Mr. Bohanan give out his method last fall, and I heard the man who had been superintendent of one of the Dominion experimental farms come right after him and say that his method was of no extraordinary value.—A. I would say with all due respect to the experimental farm that I would bet on the actual farmer, Mr. Bohanan, who has proven it.

By Mr. Milne:

Q. Surely you do not mean to say this is the only man who has been successful in the west?—A. I am pointing out for that particular district, and I am not laying any particular stress on the adoption of Mr. Bohanan's system. I am pointing out that the district, with the hard luck they had year after year, produced good crops.

Q. You are, to all intents and purposes, criticising other farmers in that district because of the fact that they have not followed Mr. Bohanan's system. —A. I might say in all confidence to the Committee that Mr. Bohanan dropped on that system more or less by accident than anything else. Many things that have proven to be very very valuable are the result of accident.

Q. Do you think that that system worked out very well for that district? —A. Yes.

Q. It is hardly fair for you to bring before this Committee the idea that to all intents and purposes if all the farmers followed that system they would be prosperous.—A. I have not made any such statement. The statement is there. I will stand by this statement, that as a result of our investigation, which we think was quite thorough, I again repeat this statement, that in our judgment 75 per cent of the financial struggles of the western farmer are due to lack of following sound economics and a sound system of farming during the past five years. That applies fairly generally to the west all through.

By Mr. Gardiner:

Q. My experiences are somewhat different from that, because I happened two years ago to be in Northern Saskatchewan, where they raise good crops all the time, and the cost of raising these crops, notwithstanding they were large crops, was larger than the amount they received for the crop. I will give you an instance I know of, well, where a man averaged 33 bushels to the acre, and after he had sold his crop—this was after the deflation of prices took place—he found he had not made enough money out of the crop to pay his expenses for that year.—A. That was the crop of 1921?

Q. That was the crop of the fall of 1921 and also 1922. There was a good crop, but in 1921, of course, as we all know, there was a peculiar condition, over which the farmer had no control; everybody knew the cost of raising a crop in 1921 was the highest the west ever experienced and things went on the tobobban slide.—A. Those are temporary conditions.

Q. In your remarks, you, to all intents and purposes laid 75 per cent to the fault of the farmer. The financial position of the western farmer to-day is not confined to his experience in 1921, because the cost of the crop in 1921 was higher.—A. This thing goes back over many years, and he laid the foundation for the new financial difficulty, not in 1921, but in 1917-18-19-20 and '21, and he piled up liabilities and he is now reaping the results of the accumulative effects at the present time, of what has taken five or six years to produce. It is not the result of the 1921 crop, far from it.

Q. We understand certain parts of the west did not turn out very good crops, but I will not admit that when they had not a reasonably fair crop in the west, it was due to the farmer not looking after his business in a proper way.—A. I have made my statement. I have the opinion of a man like Mr. C. W. Williams, an outstanding farmer in Saskatchewan, who pictured in graphic terms to his tenants what has brought all this about.

Q. We can understand a man who is letting his land out, telling his tenants to work harder, because if they get a share of the crop, the greater the share is for the landlord.—A. There is no doubt of that, but there is no disguising the fact that I cannot get away from this, and I want to adhere to it. I want to make another statement, that before the west can hope to come back to a sound financial basis, the first thing and the most important thing is to get down to a proper economic basis, and they are getting down. I know the west to-day is down to a sounder economic basis than in my judgment the west has ever been.

By Mr. Sales:

Q. What do you mean by an economic basis? We would like to know what you mean by it.—A. I mean by that that the average western farmer went in as a wheat grower with the idea that there was nothing for him to do

but to scratch his crop. Some of the western farmers may criticize me for using that word, but I think they will not misunderstand me. The idea was to put in their wheat.

Q. You are speaking of the average man?—A. Yes, I am speaking of the average man and to get it in as quickly as possible and get it off as quickly as possible, get it to the market and get his work through. He was going to make a fortune in a few years out of the wheat, and he has been disappointed. In order to succeed it is impossible to carry on in that way, and the west is now going through a period of evolution where they are changing their methods of farming and laying the foundation for sound permanent prosperity and advancement.

Q. That is really your idea of the average western farmer?—A. Yes.

Q. It is not mine.—A. In the variety of opinion we get somewhere.

Q. But I have lived there 23 years. I do not visit them periodically and get an impression from some men in the city, and I know that 75 per cent of these men never thought they could get a crop by scratching.—A. I was probably unfortunate in using that word, but just at the moment it slipped off my tongue, I realized I should not have used it. They confine their energies to raising wheat year after year. When the Mutual Life Insurance Company commenced loaning in the west, their loans originally were practically confined to Southern Manitoba. The farmers had been working there for a great many years. When the Guardian first went in there, we considered we would not take a new loan because the district has been worked to death and the land has been mined out and has become dirty and it is impossible for the farmers to carry on successfully there. There is a large district in Southern Manitoba that has to be overhauled, has to be cleaned up, and the land has to have fibre put into it, but it will come back in ten or fifteen years. In the meantime it is a serious problem. That just emphasizes the point I have endeavoured to make.

Q. What was the yield in wheat this year?—A. It is quite indifferent. It was very spotted. The farmers of Manitoba on the whole—.

Q. Stick to the Southern part.—A. The Southern part, below Township 6 and 7,—there is also disappointment on the whole.

Q. I suppose we might be disappointed if one got 40 bushels, but do you know what the yield was in that district? Was it an extremely good crop this year?—A. It was not so good as in the centre and some of the northerly portions of the province. I might say in that respect our collections, as far as the west was concerned, were poorer in that district of the Province of Manitoba as a whole, than the provinces of Saskatchewan and Alberta.

Q. You blame the poor crop down in southern Manitoba entirely on the farmers down there?—A. I do not say it is on the heads of the farmers. It is to a large extent due in that southern district to the fact that the land is farmed out and the fibre is out of it; a great deal of the land is dirty and has to be built up again before they can carry on farming prosperously. An investigation of the facts will determine the soundness of my statement.

Q. Did you investigate the facts? Give us an illustration of what way you investigated the land as to its fertility and so on?—A. I have not made any scientific investigation as to the actual fertility of the soil, but I know we have a great many mortgages running for twenty years there, and owing to the poor results farmers have obtained there, we have a greater number of arrears than any other portion; they are not growing the crops. You go down and investigate those farms and you will see that the weeds have got ahead of the grain.

By Mr. Elliott:

Q. Does that district include the Portage district?—A. No, it is below the Portage district.

Q. It is further south than the Portage district?—A. It is further south than the Portage district.

By Mr. Milne:

Q. How do you account for the fact that—I have a feeling it is practically new, it has only been in cultivation for about six or seven years. A year ago and two years ago the crop was hardly worth harvesting?—A. Yes.

Q. Last year we had a fairly good crop on it. Was it because the system of cultivation was not the best. Was it because of the things that the farmer had control of?—A. I do not know anything about that. We know that is true of Southern Manitoba. It is the farmer's fault down there. I stated the conditions why; the land for years had been farmed there; it is one of the oldest districts in the west; it has been farmed and mined and nothing put in. The fibre is destroyed and the land is so dirty it will take a lot of work to bring it back to a sound condition. I think any man who has investigated conditions and wants to consider it in a frank way, will agree with me.

Q. Have you any of your officers taking up farming as an industry? Have any of them tried it out?—A. I do not think so.

By Mr. Elliott:

Q. We had a witness before the Committee, who stated it cost $1.41 to produce a bushel of wheat in the Portage district, and I understand in one of the districts south of that it costs 90 cents a bushel. This was the result on a number of farms. Also he made this statement, that the greater the yield the greater the loss. That is my understanding.—A. I cannot follow that reasoning. That is beyond me. My brain is too dense to follow any such reasoning as that.

By Mr. Sales:

Q. We have a gentleman in this room who lives in Southern Manitoba and he tells me his land has been farmed since 1882. Last year their average was 30 bushels an acre.—A. He is very fortunate. A good farmer.

Q. No, but the average around the district shows that your remarks as to Southern Manitoba did not apply to all the land.—A. Probably I have not been quite careful enough in my statement. I have made the statement so broad that the inference might be that it applied to the whole of Manitoba from boundary to boundary, but I was referring to the districts more in Southwestern Manitoba, but I would say originally, when they first settled in there, it was looked upon as the choicest and was the choicest district; but the farms have deteriorated.

By the Chairman:

Q. May I ask you a question?—A. Yes.

Q. Mr. Bowman, you say that you think that the unfortunate condition in which western agriculture finds itself to-day is due, 75 per cent, to what might be called a personal factor?—A. Yes.

Q. That leaves 25 per cent attributable to other causes. What would you say the other causes were?—A. For the last two years the situation has become acute on account of deflation, and the unfortunate spread that there is between what the farmer gets and what he has to pay, the price he is charged for commodities other than his own production, and the high transportation rates.

Q. That is in line with a great deal of what we have heard before this Committee. Have you any suggestions to make things better along these lines?—A. No, I do not know of any suggestions regarding the 75 per cent of it. I am satisfied that this is going to remedy itself to a very large extent, that the western farmers of to-day—do not misunderstand me; I am not criticising the western farmer—we in the east who are interested in other occupations outside of farming, are suffering from the same causes. Take business men of the eastern part of Canada—take manufacturers to-day; they are struggling. They do not know whether they are going to win out or not. They made enormous profits during the war, and through deflation, through the lack of conservation of their reserves, to keep themselves in proper position their losses have been so heavy, and for that reason we have more people in Eastern Canada going through bankruptcy proceedings than we have had for many decades in this country. And we are not through with that, because there is still a lot of liquidation to go through before we get things cleaned up, and we are suffering from the same economic spread that the west is suffering from. East and west we are all struggling with the same thing.

By Mr. Sales:

Q. There has been no deflation in the price of your own money. There has been no deflation in the price of machinery. Very little in the price of goods and clothing?—A. I quite agree that the farmer up to date has got the raw end of the deal.

Q. So when you say you are suffering from deflation you are not correct?—A. I think I am from my own personal knowledge. The deflation has not been so marked with the urban population as with the farmer, for the reason that the farmer depends on the export of production, and the deflation the farmer got is all in a heap. Now, so far as the east is concerned, a great many business men have made terrific losses, losses that are appalling and have put them out of business. The manufacturer has had deflation to a great deal larger degree than the average public is aware of, but so far as the distribution end is concerned, there has not been the ploblem of deflation, and the spread between the price the manufacturer gets for making his commodities and the price we have to pay when we go to the retailer is entirely out of line. I could cite you case after case, showing that the spread between what the manufacturer gets and what the consumer pays over the counter, amounted to 100 per cent or 150 per cent. I can cite you a concrete case. I know a shoe manufacturer who, a year ago this spring, made women's shoes which he sold to a retail store in Toronto for $3.22 a pair. I think you will all agree with me that any retailer should have been satisfied if he had sold that shoe for $5.00, and he would have made a handsome profit. This shoe manufacturer, as a matter of curiosity, went to that store and called for that shoe, and to his surprise he found that shoe was marked at $8.00. You can find cases innumerable along that line, where the spread between the price that the manufacturer gets and the ultimate price that is charged the consumer, on a great many commodities was entirely out of line. I have no hesitation in saying it is an outrage.

Q. Was there anyone between the wholesaler and the retailer there?—A. In this case, absolutely no.

Q. Where the manufacturer of machinery employs his own agent and there is nobody between the manufacturer, they absolutely control things themselves and there has been no deflation?—A. You are referring to farm machinery, are you?

Q. Yes.—A. I know a man very well who is in the implement business; he carries on a very large business in the west, and he has been complaining

to me about the enormous losses he made. I have no hesitation in saying that I have no sympathy with that man for the reason that any manufacturer who raised prices after deflation set in has no right to expect sympathy from anybody else.

Q. Did he cease manufacturing and close his factory down temporarily until he sold what he had on hand?—A. I think likely. So far as the present situation is concerned, I would say that the manufacturer in Ontario, in the east here who got a fair return on his capital in 1921, and 1922, is the exception. I will make this statement, that there are more manufacturers in the east who have lost money than there are who made money in 1922, and the inflation in prices to-day is something that the manufacturer is very much disturbed about, for the reason that his raw material has been going up, and the conditions over which he has control, are out of proportion to the price that he has been getting for finished goods, and it is unfortunate. Commodity prices in my judgment—we had the right to expect commodity prices should be lower in 1922 than 1921, but they are not.

Q. He does not realize the farmer had lost his purchasing powers?—A. I think you will agree with me that for a period of years the westerner was a pretty fair buyer. One of the reasons why we are so hopeful of the western farmers, is that they are getting down to a sound economic basis now, and I would say that the average western farmer is sitting down and thinking out these problems, and trying to figure out how he is going to get himself on a cash basis.

By Mr. Sales:

Q. I would like to interpret your phrase, "Sound economic basis" for you, that the farmer has made up his mind to lower his standard of living.—A. Not necessarily.

Q. Both in the house and outside, in the machinery.—A. That applies more largely to machinery, and the method in which he handles it. I think, you will correct me if I am wrong, that during the last three or four years the western farmer, as a class, has practically lost millions of dollars on account of the tractor.

Q. I do not know that I agree with that in all respects.—A. And another standpoint, I think I can safely apply the word "sound economics" to, is that the western farmer is going to take better care of his machinery and it will last longer, and the implement manufacturer is going to find out that the western farmer is not going to buy machinery as freely as he has in the past.

Q. What is going to be the position of the workman in Brantford? —A. I am discussing western farm conditions, and the workman cannot expect that the farmer is going to keep on buying machinery in a reckless way, as may have been the case in the past.

Q. Seventy-five per cent of the failures are due to lack of sound economics and poor farming. Turn that around and say that twenty-five per cent are due to that, and 75 per cent is due to the high prices of what he buys. There would be no difference between us.—A. That is all right. We can agree on one point, there is just a question of percentage. It is a question of seeing whether we can find the proper meeting point on these two problems.

Q. Then, if you accept my opinion—?—A. I am not prepared to accept it. I may be extremely high, and you may be extremely low.

By the Chairman:

Q. Supposing we make it a fifty-fifty basis?—A. If we compromise on a fifty-fifty basis, there is room for a great deal of optimism in the West.

By Mr. Sales:

Q. You give us an honest dollar's worth of goods for the dollar that we give you.

By the Chairman:

Q. Now you have been good enough to give us the figures of the amount of money which your company has invested in the West. Could you give us by provinces the amount of payments, interest first, and the amounts of capital, which are in arrears?—A. I can give it to you as far as the interest is concerned. As far as the capital is concerned, I did not pay much attention to that. We are not concerned as to our principal repayments, as long as we get our interest repayments and the security is kept in good shape. While nominally our mortgages are drawn for five year terms, yet, when we once make a loan it suits us better as long as the security is not impaired, and the interest payments are kept up, if that mortgage stays in existence twenty, thirty, or forty years. We are a life insurance company, and when we get our funds out, we want to keep them out. We always stipulate for an annual payment, but we are not insisting on that. I can give you figures as far as our arrears of interest are concerned for the various provinces. I cannot give you the arrears on the farm loans, apart from the town and city loan. Here is something that might be of interest to this Committee. I think you all remember the big crop of 1915. It might be improper for me to do this; I am here as a witness.

By the Chairman:

Q. We will be glad to have your opinion.—A. I would like to have the privilege of asking a question of Mr. Sales. Mr. Sales, have you any objection?

Mr. SALES: No, I have not.

WITNESS: In 1915, was the crop of 1915 a profitable crop for the We-tern farmer?

Mr. SALES: It was profitable for me.

WITNESS: Well, would you go this far, and say that it was a profitable crop on the average all through for the farmer, who conducted his business on a reasonable basis.

Mr. SALES: It was a very profitable crop to some men. There were some men who were unable to ship out their crop during 1915 on account of the C.N.R. not being able to handle it, and it was shipped out in 1916, and the price was more than double what it was in 1915. I think on the whole I would say that the crop was a profitable one in 1915.

WITNESS: We have had this remarkable experience, Mr. Chairman, that our arrears of interest jumped up very sharply in 1916 as compared with 1914, and 1915, for some reason that we have not been able to satisfy ourselves upon.

By the Chairman:

Q. What do you think it was? I will give you my guess of what it might be.—A. I do not know whether our Western organizations were lax in making collections. We did not get the money and it was spent in some other way. From 1916 on, there has been a gradual increase in arrears. The amount that we had out on mortgage loan was also increased. I might say that during the time that the government put on their big Victory campaigns, they made a demand on life insurance companies, and practically insisted that all life insurance companies had to subscribe for a certain amount of Victory Bonds, with the result that for two or three years we practically withdrew from the mortgage field, so for a period there, our mortgage loans did not go up. But

since the war is over, in 1920, 1921, and 1922, we have again carried on a very aggressive mortgage loaning campaign, especially in the West. Up to 1919 we only had two loan agencies in the West, one in Winnipeg and one in Regina. In the fall of 1919, as a result of investigations made by our general manager and myself, we divided Saskatchewan in two and opened up a loan organization in Saskatoon, and then in 1920 we opened up in Alberta again. But in 1916 our arrears in the Province of Manitoba were $135,667.; in the Province of Saskatchewan, $83,120; in Alberta, $23,060. In 1917, our arrears in Manitoba were $109,878; in Saskatchewan, $65,687; in Alberta, $12,096. In 1918, in Manitoba, our arrears were $106,647; in Saskatchewan, $91,968; in Alberta, $24,922. In 1920, our arrears in Manitoba were $119,296; Saskatchewan, $123,380; in Alberta, $17,448. In 1921, that is the year when the heavy deflation struck the Western farmer, our arrears jumped up. In Manitoba they were $189,476; Saskatchewan, $201,955; in Alberta, $16,502. At the end of 1922, our mortgage interest arrears in Manitoba jumped up to $243,936; in Saskatchewan, $244,334; in Alberta, $26,257.

Q. Just so that we may have the real setting of those figures, can you tell us what these arrears represent of the total interest receipts?—A. Well now, let us see, I might have something here.

Q. You see what I want. I want to get an idea, if every cent had been paid, you would have got so much?—A. Yes.

Q. And you only got so much. What is the percentage?

By Mr. Caldwell:

Q. How much was due, and how much was paid?—A. I have something here that I think will be illuminating along those lines. I have here a statement of the City of Winnipeg, showing that on the 31st of December, 1922, our principal in mortagage loans, in the City of Winnipeg, amounted to $2,226,226. If you are not going to be wearied with figures,—

By the Chairman:

Q. That will be interesting, keep on.—A. Our arrears on the 31st of December, 1921, in the City of Winnipeg, were $23,432.11. The new interest charge on the City of Winnipeg loans was $168,231, which amount, with the total interest charges for 1922, that were carried over from the 31st of December, 1921, amounted to $191,607.74. We collected during 1922, in the City of Winnipeg, interest, $169,407, leaving the arrears on our city loans, at the end of 1922, $22,200.74. In order to bring my figures down, I might say that this statement was prepared as of the first of April, 1923, so that from the first of January, 1923, to the first of April, 1923, we have received in addition to that amount, $6,046 on arrears of interest due for 1922, which leaves the total interest outstanding in the City of Winnipeg, on the 1st of April, 1923, $16,210, or it represents ·73 of 1 per cent on the total amount that we have loaned out.

By the Chairman:

Q. What is the total amount that you loaned out?—A. In the City of Winnipeg, the interest arrears on the first of April, 1923, represented ·73 of 1 per cent on the principal, $226,000.

By Mr. Munro:

Q. Do you collect interest on this back interest?—A. Certainly. That is simply charged to the mortgage, and after the due date, we charge interest on interest.

By Mr. Gardiner:

Q. What interest do you charge?—A. The same as the mortgage bears. I might say that in the City of Winnipeg we have 279 loans. Thirty-seven of those 279 are in arrears, but this is scarcely a fair statement, because I find a foot note that eleven of those loans are in arrears to the extent of less than one dollar on the loan. The clerk who prepared this took my instructions literally, and then he told me about this, and I said, "You had better make this foot note," so that we actually only had twenty-six loans in arrears, in the City of Winnipeg. Now, we go to the Manitoba farms. We have 777 farm loans in the Province of Manitoba, representing $2,948,704 principal. On the 31st of December, 1921, there was interest arrears at that date, $166,044.86. The interest charged during 1922 was $228,882.50, making a total amount of interest due as at the end of 1922, when you include the arrears that hung over from 1921, $394,927.36. We collected in 1922 of that amount, $173,247.15, leaving the arrears of interest on those 777 farm loans on the 31st of December, 1922, $221,680.23. We have, however, since the first of the year, from the first of January, 1923, to the 1st of April, 1923, collected of those arrears $36,946.31, so that as at the first of April, our interest arrears were $184,723.92, representing 6.26 per cent on the principal amount of $2,948,704.

By the Chairman:

Q. Now, Mr. Bowman, you will tell me whether the way these figures strike me is correct. I would argue in my mind after this fashion. When you say that the Mutual Life of Canada is equally careful in the loans that they make in country and city, they have loaned approximately the same amount of money in the city as in the country; their arrears in one case amount to three-quarters of 1 per cent, and in the country their arrears amount to 6¼ per cent.—A. Yes.

Q. So that shows that if these figures are indicative of the prosperity, or want of prosperity, in towns as compared with the country, that the country is going through a very much more severe commercial business crisis than is the city.—A. Absolutely. There is no question about that. Any student who has made any study knows that is the fact.

Q. We do have people come before us—not very often—and make out that it is really the farmers' own fault, and I take it that in Manitoba the man in the city is just as smart, but no smarter, is just as honest, but no more honest, and is just as hard a worker, as the man in the country.

By Mr. MacKay:

Q. What is the nature of the loans?—A. In the country, they are all farms, outside of the city of Winnipeg, and Province of Manitoba. Every loan outside of the city is a farm loan.

Q. How many loans have you out in the country?—A. As at the first of April we had 777 farm loans.

By Mr. Sales:

Q. What is the character of your loans in Winnipeg?—A. In Winnipeg we have loans on business properties, and a great many house loans. We specialize on house loans in Winnipeg, and I would say that in number 90 per cent of the 279 loans in the City of Winnipeg are represented by house loans.

By the Chairman:

Q. About how much per house?—A. Oh, well,—

Q. What is your average?—A. It is very difficult, speaking from memory, but we have house loans in Winnipeg as low as $2,500. Speaking from memory, I think the highest loan is $15,000.

APPENDIX No. 3

By Mr. Sales:

Q. You have 279 loans, but your total is—?—A. We have some very large business loans. I have one in mind of $350,000, which is one of the 279, and which represents about 14 per cent of the total amount we have loaned in the City of Winnipeg.

By the Chairman:

Q. What interest do you get in the city?—A. Our interest rate in the city has been the same as to the farmer.

Q. Eight per cent ?—A. Yes. When we charged the farmers 7 per cent before the war, we charged 7 per cent in the city.

Q. So there is no distinction?—A. No. I might say that as far as the interest rate is concerned, the only province in the West where the interest rate was changed was Manitoba. The interest rate we are charging to-day in Saskatchewan and Alberta is exactly the same as before the War.

By Mr. Sales:

Q. Excepting the 8½ per cent. What happened to your official who brought that in?—A. He is still on the job.

Q. You did not even discipline him?—A. No, I do not think we did.

By Mr. Milne:

Q. Did you thank him?—A. No, we did not even thank him.

By Mr. Sales:

Q. He got a raise in wages?—A. No, he was the only one of the loan managers who did not get a raise in salary last January.

Q. As regards these loans, or outstanding interest at the end of the year, did you find that it happens that the farmer is holding back his wheat?—A. Yes. From the first of January to the first of April, 1923, we collected from the Manitoba loans, $29,646, and we will keep on collecting for a few months. Whenever a farmer comes to us and says, "I would prefer to hold my wheat," we do not press him. There are some other phases. I hope a little later on somebody will ask me the question as to how we treat our farmers, as to whether we foreclose them.

Q. Have you in your agreement a clause which makes the farmer your tenant?—A. In our mortgage, no.

Q. You do not enforce it?—A. We will finish this statement. We have a portion in Saskatchewan, southeastern Saskatchewan, separate because it is handled in our Winnipeg office. When we started lending in Winnipeg we next moved into Saskatchewan on account of the railway facilities. There are two districts in the Winnipeg office.

By the Chairman:

Q. That is the electoral district of Assiniboia?—A. I do not know anything about the electoral division. I might say that the majority of these loans were made many years ago. Many of them are old loans. We have 140 loans in the southeastern part of Saskatchewan, representing a principal investment of at the 31st of December, 1922, of $407,471. The arrears at the 31st of December, 1922, were $51,697. The new interest charge during 1922 was $34,204. The total interest charged, including the arrears of the year previous amount to $85,901. We only collected during 1922, $21,474, making arrears at the 31st of December, 1922, $64,426. We have since the first of January collected an amount of $8,388, leaving the interest arrears outstanding on those 140 loans at the first of April, $56,038, representing Mr. Chair-

man, 13·75 per cent on the principal investment. That is the poorest experience we have had. Now, we come to Saskatchewan. In the Regina agency, we have 1,084 loans, and here we have a few loans in the city of Regina. We have a few loans in Moose Jaw, and we have here the farm loans separated. We have 1,084 loans in our Regina agency, representing a principal of $3,350,446. Our arrears on the 31st of December, 1921, were $106,517. The new interest charge in 1922 was $250,707, making the total interest charges for 1922, including the arrears carried over from the previous year, $377,224. Of that amount we collected during 1922, $232,725, leaving the arrears as of the 31st of December, 1922, $124,498, but of that amount, since the first of January up to the first of April, we have collected $37,446, leaving the net interest arrears at the first of April, $87,052, representing 2·60 per cent of the principal amount, and of those loans in the Regina office, of the 1,084 there are 284 in arrears. That really should be 237, because some of them are less than a dollar. Less than 25 per cent of our total loans in Central Saskatchewan are in arrears. Then we come to Saskatoon office, which was opened in 1919, and at which time a portion of the Regina loans were transferred. We have loans in that territory that were sent to the Saskatoon office. There we have 693 loans, of which 692 were in the Province of Saskatchewan, and one single loan just over the Albertan boundary. The principal invested in those 693 loans is $1,843,872. The arrears on these loans as of the 31st of December, 1921, were $44,041; the interest charged during the year 1922, $105,711, making the total interest charges during the year $150,116. Of that amount, we collected in 1922 $94,043, leaving the total arrears as of the the 31st of December, 1922, $56,073. Of that amount, we have collected since the first of the year up to the first of April $11,443, leaving the outstanding arrears as at the 1st of April, $44,630, representing 2·42 per cent of the principal amount. We now come to the Province of Alberta. We have 447 loans there. Here again we have a few loans in Calgary and we have a few loans in Edmonton, but the great majority of them are farm loans. The principal amount is $1,354,057. The arrears as of the 31st of December, 1921, were $16,201; interest charged during the year 1922 was $67,062, the total interest during the year 1922, including arrears, $83,263. The amount collected during 1922 was $57,672, leaving the arrears as of the 31st December, 1922, $25,591, of which $3,854 has been collected since the 1st of January, leaving the total outstanding interest in the territory of Alberta $21,737, or 1·61 per cent on the principal amount.

By the Chairman:

Q. Just a question I would like to ask here. How do these percentages compare with the percentage, taking a period which would end five years back, say?—A. It is higher now.

Q. Considerably higher?—A. Appreciably higher, yes, I would say.

Q. Because you see, talking about the 2 per cent, a little over 2 per cent on the capital, that does not look much when you think of it as compared with the capital, but then the interest is 8 per cent, so that means about 25 per cent?—A. It becomes more serious, Mr. Chairman. Probably I should have given you—I started off by giving you the number of loans in the City of Winnipeg in arrears. I will just go over that again. The $16,210 of interest arrears is confined to 37 loans. On the farm loans in Manitoba, the interest arrears of $184,733 is confined to 346 farm loans out of 777, which is 44·53 per cent of our total farm loans in the Province of Manitoba in arrears. In the southeastern part of Saskatchewan, which is confined to the Estevan district, because when you get further west they had

better crops last year than in that district, in fact they had a bumper crop —of these 140 loans in that part of Saskatchewan, where the total interest arrears was $56,038.91 of them are in arrears, representing 65 per cent of the total number of loans. When you come to Regina, in Saskatchewan, there are 248 loans in arrears, although that should only be 237, because 11 are under $1, but 248 are arrears, making a percentage of 22·88. At Saskatoon, where we have 693 loans, there are 148 in arrears, representing 21·24 per cent of our loans there. We come to Alberta, where we have 447 loans, 60 of them being in arrears, representing 13·42 per cent of our loans in arrears there.

By Mr. Sales:

Q. Now, Mr. Bowman, just to show that we are not interested in the west alone I would like you to give us the Ontario figures.—A. I have not any figures for Ontario; our farm loans in Ontario have dwindled to such a point that we have less than $3,000,000 invested in Ontario farm loans. Many years ago—the company is now 53 years old, but before I became actively interested in it, except as far as I was a youngster, the son of the first President of the company—I only became actively interested in recent years, but many years ago, say 30 or 40 years ago, the Mutual Life had many loans in Ontario, but there has been such a poor demand for mortgage loans from the farmers of Ontario that it has dropped off. The organization expenses were too heavy for one reason, and I think another reason was that the interest rate was so much lower than the rate they could get in the west at that time, it has not paid us to go after the Ontario farmers.

By the Chairman:

Q. Any loans you do make are at what rate?—A. We have made a few in recent years, some in 1921, at 7 per cent; we have made—just speaking from memory, I can only speak of one farm loan we have made so far in 1922, and that was at 6½ per cent.

By Mr. Gardiner:

Q. Why the difference in the rate, Mr. Bowman, between 6½ per cent in Ontario and 8 per cent or 8½ per cent in the west. Is the security not just as good in the west?—A. One reason is, the cost of administration is a great deal more. It costs a great deal more to handle our western loans than our Ontario loans. The cost of administration is practically nil in Ontario for this reason, that they are handled direct from the Head Office. We pay a commission on the Ontario loans, of course, just the same as we do to the loan agents in the west who send them in, but besides our Head Office organization, we have to maintain quite an expensive staff in the west, loan managers and inspectors, and the cost of administration is greater, and by the time you deduct the net that comes to the Mutual Life, the difference between the Ontario loan and the western loan is very much diminished. It costs us all the way from—I am speaking from memory, I am sorry I have not the figures—it costs us all the way from ·90 of 1 per cent to 1¼ per cent to administer our western loans through our western organizations.

By the Chairman:

Q. What do you say?—A. It costs us anywhere from $\frac{9}{10}$ of 1 per cent to 1¼ per cent to administer our western loans.

Q. Including the commission for the placing of it?—A. I am not just quite clear on that. I think probably the commissions are included, because when we work out these figures we figure the net return of the interest rate to us, so necessarily the commission must be included.

Q. Because the commission would be spread over quite a term?—A. Yes, but we pay the same commission in the east.

By Mr. Sales:

Q. What is the net return to you on your western business?—A. I have not that, Mr. Sales. I would say that our average rate, say at 8 per cent, is less than 7 per cent, somewhere between 6·80 per cent and probably 6·85 per cent, somewhere around there, probably.

Q. Now, what about the foreclosures; how many have you had in Saskatchewan, for instance?—A. Very few. We have so few that when I made my first trip to the west in 1919, we were discussing the lawyers' fees. The lawyers were on strike and wanted to raise the fee which the borrower paid and they said that one of the reasons they wanted more money was that we did not foreclose on anything. They said the lawyers of other companies made a lot of money from foreclosures, but they did not. We have had many years, in fact, when we have not had a single western foreclosure.

By Mr. Sales:

Q. What is the cost to the farmer of placing a loan with you?—A. The only cost he has to pay is the solicitor's charges. The only charges that are made on him are the solicitor's charges.

Q. I would like to place it on record, because people think they are—well not exactly swindled, but charged too much?—A. I have that here, Mr. Sales. I have been very much interested in the proceedings here. I receive, day by day, a copy of the proceedings, and follow them closely, and for that reason I thought I had better bring some figures. Here are the actual figures taken from our records. Here is Winnipeg, on a $1,000 loan; for preparing mortgage, $10; fee for clearing title, $5; disbursements, $4.75, which makes a total charge of $19.75 to the borrower. On a $2,000 loan, it is; fee for mortgage $14; fee for clearing title $12. That fee fluctuates very much, each case stands on its own bottom. They may get land where the title is so clear there is very little work to do, but a great many of these western lands, when the lawyers find there have been caveats filed, there are a lot of documents to be made out in order to make the title absolutely clear, and that costs more money. In this particular case, the fee for preparing the mortgage was $14; for clearing title $12, and disbursements $14.65.

Q. Making a total of—?—A. A total of $40.65. You will notice there that the disbursements, for some reason or other, are higher than in the other case.

Q. That is an extra 2 per cent on the $2,000.—A. These were disbursements caused owing to the condition in which the title was.

Q. Now, Regina?—A. Here is Regina. Probably it would be more intelligent if I went right across the list and took each agency for the same amount. I gave figures for Winnipeg. Here is a $1,000 loan in Regina. Fee for preparing mortgage, $7.50; fee for clearing title, $9; disbursements, $7.35. Total cost $23.85.

Q. For $1,000?—A. For $1,000.

By Mr. Gardiner:

Q. Is that a farm loan?—A. These are all farm loans. Here is Saskatoon, and I might say they were just picked out at random. I told my supervisor of this department that I wanted these figures, and he went out and got them, but it is just a kind of hit and miss record.

By the Chairman:

Q. I suppose your company, as well as other individuals, has to pay a tariff which is established by the Bar Association, or by law?—A. We have no option, we cannot help ourselves. These lawyers simply say this is what you have to pay.

By Mr. Sales:

Q. Another instance of a combine?—A. I do not know whether it is a combine or what it is, but we have been fighting our western solicitors for the last three years.

Here is a case in Saskatoon, of a $1,000 loan. The fee for preparing mortgage, $7.50; fee for clearing title $16; this was quite a complicated case, evidently, because the disbursements were $21.93. Here is a case of—.

Q. Just give me that again?—A. The total of this one was $45.43.

Q. On a 1,000 loan?—A. On a $1,000 loan.

By the Chairman:

Q. How much was that, on a $1,000 loan?—A. $45.43. This was a case where the title was in very bad shape, because they had to pay out $23.95 of hard cash in disbursements.

The CHAIRMAN: You will find, taking it on the whole, their charges are very reasonable.

By Mr. Gardiner:

Q. How about the fee for valuing the land?—A. No, this does not include that, this is what the lawyer grabs off. This is the solicitor's charges. Our inspections are all made by our own salaried man.

Q. Are there any charges for that?—A. We have no fixed rule; sometimes we charge, just as the inspector reports. It depends on the length of time and the expenses they were put to, and it runs from $5 to $7.

Q. That would be added to these totals you have given us?—A. Yes.

By Mr. Sales:

Q. That is all right about the initial outlay. What about the renewals? A. The renewals in our company do not cost the farmer a nickle.

Q. You said some of these loans were very, very old loans?—A. Yes.

Q. And does it not appear to you very remarkable that a hardworking farmer cannot write off a $1,000 loan in twenty years?—A. I did not say some of these old loans were $1,000 loans; we have farm loans that old, but we have farm loans in the west running from $1,000 to $10,000, from $12,000 to $15,000 and up to $20,000 in some cases. Unfortunately, we have some of these big loans.

By Mr. Milne:

Q. Is there some charge in discharging the mortgage after it has been paid off?—A. I think, as far as the west is concerned, I think the solicitors prepare discharges in the west when the mortgage is paid off, and there is—speaking from memory—a charge, although I really cannot say what it is, I think it is $2. I am not sure of that, and I do not want to put myself on record as saying that definitely.

Q. About $2?—A. Yes, but as far as the renewal papers are concerned,—all our mortgages are taken for five years, but we prefer to have them run on and on and every five years there is a renewal, but there is no charge made for it. These renewals are prepared by ourselves, by our own salaried officials, and there is no charge made.

By Mr. Sales:

Q. You want a three months' bonus when a man is prepared to pay his loan off?—A. Sometimes we exact it, and sometimes not; it depends on whether or not the loan has been running for sufficient time to absorb the commission charges. Supposing we arrange a loan to-day, and in three years the farmer wants to pay it back. We have already paid one per cent commission, which amounts to $\frac{1}{5}$ of 1 per cent per annum. There has been $\frac{3}{5}$ of that commission offset through the interest which we have received; therefore we have in some manner to get back $\frac{2}{5}$ of that commission. But we have no arbitrary rule. If the conditions are such that we think the farmer is entitled to pay his mortgage off without any bonus, he does not pay any bonus.

Q. Has your company ever considered adopting the amortization plan, Mr. Bowman?—A. No, I cannot say that we have; in fact, we have not.

Q. Do you not think it would be an advantage to both parties?—A. Well, it might be, Mr. Sales, I think that is a matter for very frank and open consideration and discussion.

Q. In this respect, that the new man going on finds a five year term mortgage due in his first year. —A. Well, of course, the five-year mortgage does not, after all, mean anything. You take, even the ordinary loan companies who lend their money out simply for the purpose of making profit on it for their shareholders, borrowing money in the Old Country, and borrowing money on debentures at a low rate, and investing it out in the west in order to make profit. Even in those cases a five-year loan does not mean that it is a five-year loan from the standpoint of the life insurance company. When they once invest their funds, because the life insurance business is an entirely different business from the loan company's business—when we get our funds invested, we want to keep them out, so that a five-year loan to us does not mean anything.

By Mr. Sales:

Q. The amortization plan should be a better one for you.—A. I think there is a great deal of force in your argument, Mr. Sales, not so much from the standpoint of the company, probably, but it is a matter that I have not considered, and therefore I am simply answering questions offhand on matters that I have not considered. But I can see where it would be an advantage, and there is an advantage to the farmer. If the farmer is carrying on, on a sound economic basis, and is careful with his funds, he has a definite obligation staring him in the face every twelve months. He makes a definite effort to meet that payment, and he makes it, and under the amortization plan he has wiped out his interest, and part of his capital indebtedness.

By the Chairman:

Q. Very much in the same way that a man is paying for his twenty-year life policy?—A. Yes.

By Mr. Sales:

Q. Have you had to pay the taxes for many of your mortgagees?—A. Yes, we paid out enormous amounts of money.

Q. In Saskatchewan?—A. Yes, and in Manitoba. Manitoba has been the worst offender in the last six months.

Q. Have you any idea of the amount, Mr. Bowman?—A. No, I overlooked that, but it is a fairly substantial amount, especially in Manitoba, for some unaccountable reason. We have not been able to fathom yet as to why it should be so, but we paid relatively a larger percentage of taxes in the province of Manitoba than we have in Saskatchewan or Alberta.

Q. So you see, Mr. Chairman, that Mr. Hamilton's statement that taxes had been reduced, does not necessarily mean that the farmer is in a better position?—A. I would say that after all I think you would be probably surprised at the small percentage of loans in the West upon which we paid the taxes. If you desire that information, I would be pleased to send it to you.

By the Chairman:

Q. We have had this happen to us: We have people come before us who present a very sad picture. Then we have others who present pictures not quite so sad, and if we can get definite figures over a wide enough area, then we have something of real value on which to base an opinion. Therefore, I think it would be an advantage to have those figures.—A. What would you like?

Q. If you would give us, by provinces, the amounts of money which you have disbursed on account of the mortgage debtors, to keep the taxes paid on the properties.—A. Of course, it, after all, would not have very much bearing for this reason: take this last six months; on account of the penalties being enforced at certain periods, and 10 per cent added, some time in March we cleaned up those taxes so as to save the penalty to the borrower, and then in the Fall he cleans up these taxes—a large percentage of them. That will show what we have paid in 1922, and coming back with a statement on the 31st of December, 1923, they are cleaned up and paid off.

Q. It would be an indication to us that the mortgage creditor had had to come to the assistance of the debtor.—A. All right. I think I get the viewpoint of the Committee. When I get back home, I will work out the statement clearly and fully and forward it to you.

By Mr. Sales:

Q. Give us the number of quarters of land involved.—A. Yes.

By the Chairman:

Q. I know from personal knowledge that there is an additional penalty on the 1st of March in Manitoba.—A. The only request we have had since four years from the West was from Manitoba, for the reason that on a certain date in March there was going to be an additional penalty. We have had no such request from Alberta or Saskatchewan since four years. In Saskatchewan I think we do most of our tax paying in November.

By Mr. Sales:

Q. The penalty comes due on the 1st of January?—A. In Saskatchewan, they all come in December.

By the Chairman:

Q. There was a suggestion made by the Hon. Mr. Sinclair. He asked me whether you had indicated the method you pursued in making these loans, what investigation you made, and to what extent you went up to.—A. In the first place the maximum that we will loan on a farm is 50 per cent of the valuation made by our own inspector. We base the valuation in every case lower than the value put on by the farmer, and as a matter of fact we have very, very few cases where the farmer has asked us to lend him 50 per cent of his own valuation. Just to place the matter frankly before you, the loan applications come to our different offices. For Manitoba and Southeastern Saskatchewan we have a loan office in the city of Winnipeg, and our loan manager there has his local loan agents who pick up the loans from the farmers. There are certain districts in Manitoba in which we will not accept a loan to-day,

where we have a great many loans and the loans are in arrears. We have in Manitoba and Saskatchewan and Alberta, as a result of investigations and experience, defined the districts in which we will loan. Then the loan applications come from these districts from our local loan agents. During the last two years over 50 per cent of the loan applications which have come to our local offices in the West have been declined by our local Western managers, and have never been sent to our head office. In the Province of Manitoba, take in the southwestern portion, where our experience has been a poor one, we have stopped lending. Take southeastern Saskatchewan, we have stopped lending, and then in the extreme southwestern portion of Saskatchewan, west of Estevan, we do not loan there. We are not lending as freely as a few years ago. In Alberta we have a line starting at Township 34. We start about Didsbury, right up through to north of Edmonton, and then we come east a certain distance, and then we stop. We have drawn a line around a certain district in Alberta that we loan in.

By Mr. Sales:

Q. You like Eastern Saskatchewan better than Western Saskatchewan?—A. Yes.

Q. I met one of your men, and he told me you liked the bush country.—A. We are sweet on the bush country.

By the Chairman:

Q. Your idea is that where there is enough water to make trees grow, that possibly there will be enough water to make wheat grow?—A. Well, that black loam is very good. Then the loans come to the Head Office. The investigation committee deals with them practically the day they come through, and we scan them very carefully, and consider the reports and recommendations of our local loan men, and I might say that I think that 99 per cent of the loans that are sent in by our local loan managers go through ultimately in the form in which they are sent, for the amount and the conditions which are attached to them, sent in by our Western loan manager.

By Mr. Sales:

Q. I am surprised that you do not lower the rate of interest in that bush country you are so sweet on.—A. I am quite frank, and I admit, Mr. Sales—I am speaking personally now, not as the Chairman of the Executive or the Chairman of the Investment Committee, but personally—my own personal views are that I am very much disappointed that mortgage rates have not been lowered in this country just the same as commodity rates. I am disappointed that commodity rates have not come down, but that is a matter that the law of supply and demand seems to govern. The law of supply and demand to-day, I think it is safe to say, shows that there is, within reasonable distance, a softening of interest rates.

Q. I suppose you realize that example is better than precept?—A. Yes, but we are not investing these funds for our own profit, but for our shareholders. We are trustees handling what I consider the most sacred funds in the world, life insurance funds, and we must invest these to the best advantage. We cannot invest these from an altruistic standpoint, we are not out to charge all the traffic will bear. That is not our policy, and that idea is abhorrent from a life insurance standpoint. In connection with the statement you have made, I will make this prediction, that just as soon as the West gets itself, from a farming standpoint, on a sounder basis—

By Mr. Sales:

Q. Economically?—A. Very well, I think you know where I am drifting, to get away from the idea of being confronted with a mountain of debt and piling it up, just as soon as the western farmer gets himself on his feet again—and he can do it, and he is going to do it, as soon as he gets to a sounder basis so that the risk of investment and matters of that kind are not so great—I have no hesitation in predicting, that it is just a question of time, as far as the loan companies are concerned, apart from any prospective Government action, until rates are going to come down

Q. They prophesied that twenty years ago, and that is a long time, and I have not seen it yet.—A. Yes, but there have been a lot of conditions operating. Take 1920 and 1921, if anyone predicted before the war that institutions, life insurance companies, would be able to buy bonds on the basis they did buy them in 1921, they would think he was fit for the asylum.

By the Chairman:

Q. Prior to the war, you were buying first-rate municipals on a basis of what per cent?—A. I wish I had known this was coming up. I have a lot of figures in my desk at home, but offhand, I would say that there was a period prior to the war—prior to 1912, probably 1912 and 1913, when first-class municipal bonds were bought on the basis of a yield rate of less than 5 per cent.

Q. And in 1921 you were purchasing them—? –A. In 1920 and 1921 we bought these—to show you how the bond market changed -in 1921 we bought millions of dollars worth of Dominion of Canada Guaranteed Railway Bonds which came back from Great Britain on a 6½ per cent basis, bonds running, some of them, for 40 years.

By Mr. Caldwell:

Q. Were they taxable?—A. Of course that does not interest a life insurance company, because life insurance funds are not taxable. If they belonged to a private individual, the income would have been taxable, but life insurance funds are exempt. We pay a government tax, there is a certain tax, but not in the form of an income tax.

Q. In what form is it paid?—A. It is called a corporation tax. It is largely paid to the provincial governments.

By Mr. Sales:

Q. Have you bought western municipal bonds?—A. Very heavily. Just in that respect, I think I have some figures here as to our investments in the Prairie Provinces. I have it here. I might say that at the present time, as of the 31st of December, 1922, in addition to the farm mortgage investments, we held in the Province of Manitoba in the shape of Province of Manitoba bonds, city bonds, school bonds, and rural municipality bonds, to the extent of $3,608,192; in the Province of Saskatchewan, as of the 31st of December, we held $3,369,999 of bonds, and in the Province of Alberta $1,153,145, or a total of bond investments in these three provinces of $8,131,337, making our total investment in the three Prairie Provinces, including mortgage loans and bond investments, over $20,000,000, almost 40 per cent of our invested assets are invested in the Provinces of Manitoba, Saskatchewan and Alberta.

Q. What has been your experience with the rural municipalities?—A. In the Province of Manitoba our experience has been a very happy one. We held large blocks of rural municipal bonds guaranteed by the Province. For a few years there they put out a lot of bonds for road purposes, and we bought a lot in 1920 and very heavily in 1921. Our experience has been a very happy

one. Our experience in Manitoba with school bonds has been a very happy one. We go to Saskatchewan, and a few years ago we bought very heavily of their telephone bonds; we bought a million and a half of rural telephone bonds and then stopped, because so many of their bonds have gone in default. We are not disturbed over that, that is only a temporary matter.

Q. That is at 8 per cent?—A. We did not get any on that basis. I suppose our telephone bonds might average at the time we bought—we bought most of them during 1920 and 1921—our yield rate on the Saskatchewan Rural Telephone Bonds would run very close to 7 per cent, I should say.

Q. The yield rate?—A. Yes.

Q. With the cost of administration?—A. We did not figure any cost of administration there; we bought the bonds with the coupons, and clipped the coupons and filed them with the bank, and they went west and were paid, and there was no cost to us.

Q. What about the municipals?—A. Coming to municipals, we have had a little trouble with the urban municipalities, Prince Albert, Swift Current, Humboldt, and there may be one or two others; we have had trouble with a few school districts, but outside of Prince Albert and Swift Current, we do not look upon that as at all serious, it is a temporary matter which will adjust itself.

Q. When you have trouble with the school districts, that is very serious trouble?—A. Yes.

Q. Because the people want to keep the schools open.—A. Speaking from memory, I think the only places we have ever had any serious trouble with school bonds in Saskatchewan is where there were school bonds put out in the boom days, when they would be booming a town with a small block of farm land connected with it, and the town was supposed to grow, and we bought the school bonds, and afterwards the town was wiped out of existence, and the land has now gone back into farming land. It is for that reason that we had the trouble in one or two cases, but on the whole I would say that we were having very little trouble with the school bonds. The same thing applies to Alberta, we have had trouble in one or two cases, but not serious.

Q. Even these cases would not exist—?—A. If the taxes had been paid on the land. As far as the condition of the people is concerned, I appreciate the fact that there are a lot of people in the West to-day on the land who are suffering, and who are simply eking out a bare existence and not living the way they should. There is no question about that.

Q. It has been very hard to convince some people down East that that is a fact.—A. I know it is a fact.

Q. Because you have been there.—A. Yes, absolutely, but there is just this about it, in connection with the western situation. There is a certain portion of the West, a portion of southwestern Saskatchewan, a certain portion of that province, where there is probably more suffering, where unfortunately in years gone by the Government opened up land for agriculture that the plough should never have been put to. There is where the people are getting the worst of it.

Q. If you had been here on Friday, we had a gentleman here quoting figures from the southwest part of Saskatchewan to prove that conditions there were very much better.—A. What do you mean by southwest Saskatchewan?

Q. The Weyburn-Lethbridge Line, all south of the main line, practically. —A. When I speak of southwestern Saskatchewan, I am referring to a small corner west of Estevan, down through there, there is no suffering that I have ever seen any evidence of; it is only a small strip. Take central southern Saskatchewan, and my judgment is that it is the best off of any portion of Saskatchewan.

Q. But that small strip represents a good many hundred square miles?—A. Yes, it does.

By the Chairman:

Q. Mr. Bowman, I suppose this condition of finding it hard to make both ends meet obtains in other agricultural portions of Canada in the East as well as the West?—A. It obtains all over the world. The Ontario farmer got his gruelling in 1921. I think that if the figures were available of the losses of the Ontario farmer on his cattle in 1921, they would be appalling, and I know many mortgages went back on Ontario farms in 1921 and 1922 as a result of these losses. That is a condition that is not confined at all to the rural population. There are a lot of people in the urban municipalities just struggling along. They set a standard of living during that economic spree of 1919 and 1920 which they are trying to live up to now, and the result is that a very large proportion of the urban population are living beyond their incomes and going into debt, and there is a very serious situation developing. Sooner or later the urban population is going to get a bump, because you cannot have a wide chasm between the farm and the urban population. Either the farmer has to go away up or the other fellow away down, and until we get a meeting ground things will not be right.

By the Chairman:

Q. Mr. Bowman, you seem to realize the situation very well. Let me just say this. This is what I think our agriculturalists feel, that deflation has had its full operation with them.—A. Absolutely, I agree with that.

Q. But the classes, other than the agricultural classes, have been able, out of the national wealth, to retain a great deal more of what they had before than the agriculturalists have been able to.—A. I think, on the whole, that statement is in accordance with the fact.

Now, before I close—we have got along very nicely indeed, perhaps the Committee have enjoyed it as much as I have, and it has been very interesting to get the differences of opinion—.

The CHAIRMAN: Everybody who comes before this Committee and really wants to give us the real facts has a happy time. Some of the witnesses apparently did not want to give the real facts and they did not have such a good time.

The WITNESS: I was very much interested in listening to Mr. Ward's testimony this morning in connection with the question of credits and government action. I just want to say this. He referred to and outlined some scheme he thought feasible, the co-operation between the Dominion Government and the provincial governments. I just want to say this, in all frankness and all candour, as I believe it is true, that the Dominion Government and the provincial governments want to be extremely careful, under existing conditions, before they take any definite stand. It is true that in Denmark, Germany, and other countries they have been operating for many years very successfully, along certain clearly defined lines of rural credit, but I again say that as far as the West is concerned, before it is safe for any government to carry on any extended operation of that kind, you have to get the present mess cleaned up to some extent, and you have to get it down to the personal equation and figure out, "Is it, under existing conditions, until the western farmer has gone through the necessary evolution, a necessary improvement to carry on?" Mr. Sales shakes his head, but I just want to point out this, that the Province of Saskatchewan—perhaps I am on very dangerous ground, because there are some here from the Province of Saskatchewan who may be more conversant with the facts—.

Mr. SALES: There is one.

The WITNESS: The Province of Saskatchewan has had an instance of what I mean in the operation of the Provincial Mortgage Loan Board. I think I can just say, speaking off hand—perhaps I should not go on record in connection with this—.

The CHAIRMAN: If you have the facts there is no reason why you should not say anything you wish.

The WITNESS: I am speaking from memory, from a speech that the Hon. Mr. Dunning made, when he complained very bitterly of the action of the farmers who had borrowed money from the Government, and he complained that they did not seem to have a proper sense of responsibility, and their Loan Board made the poorest showing in collections of any loan organization in the Province of Saskatchewan. If my memory serves me right, in 1921 they only got in 28 per cent of their collections. In 1922 they only got in 42 per cent of their collections. We have collected over 80 per cent, and relatively, when you take into consideration the long period of years we have been lending, since 1903 in Saskatchewan, the number of foreclosures made by the Farm Loan Board of Saskatchewan are relatively very much greater in proportion than the foreclosures we have made. And the same thing applies, I think you would find if you made a careful investigation of the Province of Manitoba, to the way in which their rural credits have been administered there. I do not think it has been a very happy scheme at all. In may be that that is due to some extent to the fact that they were caught at a time—they just got nicely started when the deflation set in, but as far as the Manitoba rural credits are concerned, I think the way it has been administered, and the way the funds have been spread around, it has not been at all in the interest of the farmers. That is regarding the Province of Manitoba. One reason why I think our experience in the Province of Manitoba is unfortunate is by reason of the moratorium which is still in existence. The farmer feels safe with the moratorium, and there are more farmers in Manitoba going to be put out of business by reason of that, because they said it protected them, and they did not have to worry, and they spent their money instead of applying it to their mortgage indebtedness, and simply went broke. Then on top of that they borrowed amounts through the rural credits, and that is gone, and now they find themselves very much more involved than they would have been if it had not been for that moratorium. That is why I say the Alberta farmer is in better shape than the Manitoba farmer.

By the Chairman:

Q. In other words, state aid may be rather more a pain than a blessing. —A. It gets down to this, after all, that Providence helps those who help themselves, and the more we realize that and the more we lean on our own grit and determination to fight the thing through, the better results we are going to achieve. It gets down to this, with all due respect to the western men, I think your farmers have suffered to some extent, through spoon feeding.

By the Chairman:

Q. Now, would you not just develop that theme and apply it, with all your eloquence, to the manufacturing interests of this country.—A. What do you mean by that?

Q. I mean, if there is one interest which has looked to the Government to make economic conditions in this country profitable for its operations, it has been the manufacturing interests of this country, ever since 1878.—A.

I have no quarrel with that statement, notwithstanding the fact that I have been interested in manufacturing ever since I was eighteen years old.

Q. We are talking to you as a public spirited person, not as a manufacturer. —A. I am still interested in manufacturing, but I have no hesitation in saying that the manufacturers as a class have made about as poor a study of sound economics as any class in the country, and I quarrel with my manufacturing friends, even though I am interested in it, with their ideas on the tariff.

By Mr. Sales:

Q. And they have failed to get down to a sound economic basis.—A. I will agree with that. (Mr. Sales shakes his head.)

Q. I shook my head, Mr. Bowman, and you noticed it –? -A. Certainly, that was all right.

Q. —because of your statement that you confined it to the farmer. If you had said the people of Canada and changed your sentence in that way, I would agree with you. It is no use your making an effort unless the other fellow makes an effort too.—A. Now, Mr. Sales, I am quite prepared to take in more territory and include the whole of Canada, but the reason I confined my remarks to the western farmers is that I came for the purpose of discussing the conditions as they exist in the West. To give you a frank candid picture of the situation as we see it, at the Mutual Life Head Office, and point out some of the things—and the thing I want to emphasize in closing is this, that if you want to get a hopeful, sound, optimistic view regarding the three provinces, come to the Mutual Life Office and you will get it. If you want to counteract some of the blue ruin stories that have come from the west, we will give it to you.

By the Chairman:

Q. The views you have presented to us this afternoon are not different in any substantial degree from the views entertained by most of the people who have come here.—A. I am glad to find that there are men of such sound judgment.

By Mr. Caldwell:

Q. There is another thing that has not been brought out—.—A. I was speaking perhaps a little too broadly. I represented matters probably in a way I ought not to have.

By the Chairman:

Q. I should say that 85 per cent of what Mr. Bowman has said, we agree with.—A. Mr. Sales does not want you to take in quite as much territory as 85 per cent.

By Mr. Caldwell:

Q. Might there be one other thought in this connection: would Mr. Bowman's observations be due to the fact that he is dealing with men whom he considers good risks as loans. What about the other portion of the province?—A. I am dealing with the situation as a whole. I am taking into consideration the men who do not come up to our standard. As a result of my observation in the last four years in travelling through the country and talking with individual farmers, I believe there is an evolution going on in the west, and it is adversity that is bringing about that evolution. It is adversity and having to fight, and fighting for the necessities, after all, is what develops the best in a man or woman. That is what we are experiencing now.

By the Chairman:

Q. I suppose "sweet are the uses of adversity"?—A. Yes.

Q. Was it the adversity of other people?—A. We all had them. We have all got them.

By Mr. Caldwell:

Q. Mr. Bowman speaks about the optimism in the west. Is he referring to a certain prescribed area? I surely agree that the world is contracting extravagant habits which they are not willing to do away with, but I cannot help but consider some of the features you brought out—.—A. I am also optimistic about certain districts in the west in which we are loaning to-day, because they are going to go through an evolution and things are changing. Take that district in Southern Manitoba. I make this prediction, that half of the troubles through there—in twenty years from now we will see that a different country, owing to the different changes that are going on. Take that district in Southeastern Saskatchewan; it is a magnificent country and it has a great future. It is going to clear up in the same way and satisfy the people.

By the Chairman:

Q. It is after six o'clock. You were not present, Mr. Caldwell, when Mr. Bowman went over province by province showing the arrears of mortgage interest that were outstanding, showing what proportion it bore to the principal. It is largely upon the figures that Mr. Bowman has given us that their conclusions differ, not substantially, from a great many conclusions which some of us at least, have arrived.

Mr. MELNE: Mr. Bowman has picked out the choice areas in the West, picked out the choice people in the choice points, to deal with.

The WITNESS: I would not say that I based my opinion or my judgment entirely upon our own personal experience in investing these trust funds. I based my judgment on the findings we have arrived at on not only the observation of these districts, but of the West as a whole. I am dealing with the West as a whole in making those statements. I do not wish to have my judgment apply to those districts in which we are loaning at the present time. In that connection let me carry you back to 1886, 1887 and 1888 and along there. Anyone who knows anything about the State of Kansas knows that at that time the State of Kansas went through the difficulty in some parts that we are going through in the West. In 1886 everything was rosy in the spring. The ultimate result was that we had to send money to a brother to bring him back to the State of Michigan. Thousands of farmers had to quit in the State of Kansas. In 1912 I travelled through there and those farms were selling freely at $200 an acre, and in 1912 and along there the farmers of Kansas had some money deposited in the Savings Bank. They had gone through the same experiences we had in the West. The majority set their jaws and figured out the problem and got down to a proper basis and they entered after that into the greatest period of real sound wealth production that they ever had. I want to make this prediction, so far as our Canadian West is concerned, having gone through these trials and tribulations, that the Prairie Provinces are entering on what is going to be the greatest period of sound wealth production that they have ever experienced. Time alone will tell whether I am talking nonsense or not.

By Mr. Sales:

Q. The trouble is not that we have not been producing. We have been producing all the time, but the trouble is we have not been retaining any of

it.?—A. You are going to find out now where you are going to succeed. Mr. Sales, have you been unfortunate enough not to retain any of it?

The CHAIRMAN: That is a piece of personality.

The WITNESS: It is out of order for me to ask the question, but I could not resist.

Mr. SALES: I got a share of it.

The WITNESS: We are all in that boat.

The CHAIRMAN: We thank you very much. We all hope that the investments in the West of the Mutual Life Insurance Company will turn out successfully. Gentlemen, should we ask, in connection with our study of rural credits, Commissioner Colin Fraser of Regina and Mr. Laughlin MacNeil of Winnipeg to come and testify before us? Dr. McKay and Mr. Gardiner were to give it special attention. What do you think, gentlemen? Does Mr. Prout know as much of Manitoba as Mr. MacNeil?

Mr. SALES: Mr. Prout is the father of the scheme.

Mr. GARDINER: I think perhaps it might be advisable to bring Mr. Prout.

Mr. CALDWELL: We have not got the information. That is the crux of the whole thing.

Moved by Mr. Gardiner, seconded by Mr. McKay that Mr. Colin Fraser and Mr. Laughlin MacNeil be instructed to attend before the Committee.

Motion agreed to.

The CHAIRMAN: I think we should try and close our meetings at the end of the following week.

Mr. CALDWELL: How many men have we got next week?

The CLERK: Five for the next week.

The CHAIRMAN: Ask them to appear next Monday, to bring full information concerning the operation of their systems, with all figures necessary for an examination into the particular workings of their system.

Mr. CALDWELL: I think you had better definitely ask for the arrears.

The CHAIRMAN: Yes, the amounts advanced, repayments, and arrears.

The Committee adjourned until 11 o'clock a.m., May 1st, 1923.

HOUSE OF COMMONS,
COMMITTEE ROOM No. 268,
Tuesday, May, 1, 1923.

The Special Committee appointed to inquire into agricultural conditions throughout Canada met at 11 a.m., Mr. McMaster, the Chairman, presiding.

CHARLES M. BOWMAN, recalled.

By the Chairman:

Q. Mr. Bowman, we would like you to give us some more information this morning. Yesterday you made some observations as to difficulty the agriculturist found himself in in view of the fact that he was selling as a wholesaler, or at less than wholesale prices, and that he had to buy his commodities at retail, and that those commodities had not come down in price to the same

extent as had the raw products which the farmer had to sell. I would like you to inform the Committee what elements you think in our economic organization tend to raise the prices of commodities to the consumer, including the farmer of course.— A. Well, that is rather a big order, Mr. Chairman. There is a great deal involved in it. I do not know whether I am competent to express any expert opinion upon that matter. I have certain ideas about it; I think that temporarily, for various causes which might not be so easily defined, there is a temporary inflation in commodity prices to-day, on account of the increase in the price of raw material which the manufacturer has to buy. In a great many lines there is quite a marked advance in the price of raw material as compared with twelve months ago, for instance, in cottons, sugar, lumber and steel, and as a result commodity prices have advanced. In some cases some commodity prices have not advanced in the last twelve months so much as has the price of raw material. The cost of labour is also a factor. Cost of labour has gone up; in a few cases, not as a whole, but in some cases the cost of labour has gone up as compared with what it was a year ago. Those are the two main factors, and they are the only factors that should have any influence upon the increase in the price of commodities. Take for instance the materials that enter into the cost of building a house; to-day they are much higher as compared with twelve months ago, so much so that I think I am safe in making the statement that the cost of building is ten per cent higher than it was twelve months ago. That is a disappointing situation, in view of the deflation we are going through. There should be a further deflation, and it was expected that that would come about to the extent of at least ten per cent this year.

Q. Instead of that, matters have gone the other way?—A. It is entirely due to the increased cost of raw material. In so far as the manufacturers of Canada are concerned, it is something over which they have no control. I refer now to the increase in the cost of raw materials which are imported into this country.

By Mr. Caldwell:

Q. That would not include lumber?—A. Yes, it would include hardwood lumber. What I have in mind is the furniture business and house building. We use a great deal of oak, gumwood and chestnut; those woods are used in house building, and they have advanced very sharply within the last six months.

Q. But that is a very small percentage of the lumber used in house building and furniture; a large percentage of the lumber used in house building is spruce?—A. Yes. The lumber which is imported, or that seems to be necessary to be imported into this country, has all advanced very sharply. Canadian lumber has also advanced.

By the Chairman:

Q. What is the effect of a high protective tariff, where it exists, upon the prices the consumers have to pay?—A. A high protective tariff, to my mind, is something that is economically unsound.

Q. You might just develop that and tell us how you think it is unsound, because it affects both the producer and the consumer?—A. Well, I have been interested in manufacturing ever since I was 16 years old. I have developed certain ideas, and have convinced myself that they are sound. For that reason I am not a free trader as a Canadian, neither am I a high protectionist. I think a tariff that is so high that it prohibits the importation of goods is, in the first place, very unfair to the consumer, and I say that it is not at all in the interests of the manufacturer.

By Mr. Sales:

Q. Of what use is it if it does not prohibit the importation?—A. I intended to use the words "absolutely prohibit."

Q. You have an adjective there.—A. If it prohibits at all.

APPENDIX No. 3

By the Chairman:

Q. I would like you to develop that, Mr. Bowman. We can easily see how it affects the consumer. We would be glad if you would just place before us how you think a high tariff which shuts foreign commodities out entirely hurts the manufacturer who is supposed to benefit by it.—A. After over forty years' experience as a manufacturer, I have come to the conclusion that the greatest factor in bringing about improvements and developing new ideas caused by competition and by the necessity of making changes and taking advantage of improvements in order to cope with competitors, the danger of a tariff that is so high as to practically prohibit importation is, to my mind, a very serious matter to any nation, for the reason that there is a danger that the manufacturers will not be as wide awake in the way of equipping their plants properly and keeping up the quality of their goods. That must of necessity be the case when they are up against world-wide competition. My idea of an ideal tariff, from a Canadian standpoint, is a tariff which will always permit of every line of commodities manufactured in Canada being imported to a certain extent into this country, so that our home manufacturers would at all times be up against keen competition from the outside, with this effect, Mr. Chairman, that our home manufacturers would then be forced in the first place to keep the quality of their goods up to the highest point, that they would have to keep their pencils good and sharp on the matter of costs. The result would be undoubtedly that they would have better equipped plants, with a corresponding reduction in costs. The danger of a too high tariff, in other words a tariff that is so high that the manufacturer may carry on his business with a plant that is only say 75 per cent efficiently equipped, so far as his machinery is concerned is enabled to succeed, but he is perpetrating to my mind a great injustice upon the consuming public. The result of a condition of that kind is—and as a manufacturer I say there is great room in this country in many lines of manufacture for a decided improvement in plant equipment which, if brought about, would bring along with it a consequent reduction in cost. The danger of a tariff which permits a manufacturer to succeed with a poorly equipped plant is this, that he gets along, he is able to stay in business, but his competitor who has a well-equipped plant takes advantage of that situation and makes an abnormal profit, a greater profit than capital is entitled to receive, the net result being that the purchasing community is penalized in the prices they have to pay for goods.

Q. There is another disadvantage under which certain members of the Committee feel that the consumer is labouring, that is, in regard to the costs of distribution which we are under in this country. You have been in business I understand for how long, did you say you had been in the manufacturing business forty years?—A. I have been in business on my own account, or have had an interest in manufacturing, within about three months of forty-one years.

Q. In what line of manufacturing has that been?—A. Leather, lumber and furniture.

Q. Have you been accustomed to gathering with other manufacturers to decide what you should charge for your goods?—A. Never.

Q. Or have you made up what you consider you could sell goods for at a fair profit and stand on your own feet in that way?—A. Any manufacturing concern I have ever been interested in, with the exception of one concern in which I had stock for a short time, has always stood on its own bottom in that respect.

Q. In the manufacture of furniture is there an association that gets together and fixes the prices?—A. Well, the concern I am interested in at the present

time has never been a member of any such association. To my own personal knowledge I cannot say definitely that there is. I understand there is, but personally I have no definite knowledge of it.

Q. You cannot take your oath that there is?—A. I cannot.

Q. But if a man said he had been to a meeting of the association, you would not consider him as saying something that was improbable?—A. I would take his word for it.

Q. You believe there is, although you cannot prove it?—A. I think it is pretty well smashed at the present time. I think deflation has smashed it.

Q. I thought there had been an increase of 15 per cent in the price of furniture? -A. There has been an increase recently. The concern I am interested in has increased the price, but not that much.

Q. You did not increase the price 15 per cent?—A. No; our increase is 3 per cent.

Q. By how much have the other furniture manufacturers increased their prices?—A. I have no personal knowledge as to whether other manufacturers have increased their prices, or to what extent they have, if any. I know what our own company has done.

Q. That was an increase of how much?—A. Three per cent.

Q. To come back for a moment to the line of inquiry I started about distribution costs. That is a matter which is of paramount importance, both to the manufacturers and to the consumers, is it not? -A. To my mind, Mr. Chairman, it is one of the most vital problems we have in this country to-day.

Q. We would be glad to have your views upon it.—A. I do not know that I have any clearly defined views, with a view to arriving at a conclusion.

Q. We would be glad to hear what you have to say about the situation as you see it.—A. It is a very difficult problem, Mr. Chairman. While I am interested in manufacturing, for the past four years practically all my time has been devoted to the life insurance business, owing to my connection with the Mutual Life Assurance Company of Canada. But I will make this statement, sir, that the manufacturers are blamed by many people for the high prices the consumer has to pay for goods, when the manufacturer is not to blame at all. I will make this statement, that a careful investigation of the spread between the price the Canadian manufacturer gets for many of his commodities and the price the consumer pays represents anywhere from 75 per cent in many cases to 150 per cent over the price the manufacturer gets for his goods.

Q. Through how many hands do they pass?—A. In some cases one, and in some cases two.

Q. Have you any opinion of your own, or have you been told of anything recently by anybody in whom you have confidence?—A. I mentioned yesterday a shoe made in Waterloo county, and I have come across recently several cases, but it is all a matter of hearsay, Mr. Chairman.

Q. You can give it, if you are satisfied that the person who told you was telling what was correct.—A. I can give you a definite case of a statement that was made by a party quite recently, a very reliable party too. I know these facts are correct. A manufacturer who happens to be in the county where I still have my legal domicile, has a knitting business. In order to bring Canadian-made women's hose prominently before the consuming public of Canada, he made a special effort to get out a high quality of women's stockings, which he sold to the retailers at $6 a dozen, or 50 cents per pair. In the boxes as the orders were filled and sent out to the retailers a slip was put in, calling attention to the fact that they had made a special effort to get out a high quality of women's stockings, and that all the profit the manufacturer was making was 7 cents per dozen. As a special favour, in order to popularize this stocking

and give the public good value, they requested the retailers to retail that stocking at 85 cents per pair. The manufacturer happened to be in a certain city in the province of Ontario, and noticed some windows filled up with these stockings with a card on them saying that they were put on at a special sale at $1.29 a pair. He went into the store, went up to one of the sales people and asked whether those stockings were on sale at $1.29 a pair. The reply was, yes. He said he would take them all, to have them boxed up and shipped to him, and that he would pay for them. The proprietor of the store said he could not do that, and they got into an argument The manufacturer said in reply to a question that he was the man who made the stockings, and that he had asked the retailer to sell those stockings at 85 cents a pair, that a notice had been put into the boxes. He said: "You can go plump to hell" and walked out of the store—bawled him right out in front of everybody.

Q. Who made that courteous remark? A. The manufacturer to the merchant. I don't think that should go into the record.

Mr. SALES: Let it go in; it will make good reading.

WITNESS: There was a concrete case, Mr. Chairman, where at 85 cents the retailer would have had a gross profit of 35 cents, which would have been 70 per cent on what he paid, but as a special bargain he was going to allow the public to get those stockings at $1.29, a spread of 79 cents on an investment of 50 cents, or a profit of about 150 per cent.

The CHAIRMAN: May I interject here, because I think it comes in here quite properly, a case purely the reverse of that?

By Mr. Sales:

Q. Before that is gone into, I would like to ask a question. Can you tell us how many hands those goods passed through going between the manufacturer and the retailer?—A. They went direct from the manufacturer to the retailer.

By Mr. Gardiner:

Q. It is not usual for them to pass from the manufacturer direct to the retailer, is it?—A. There are very few furniture jobbers in Canada. I would say that over 95 per cent sold in Canada is sold direct from the manufacturer to the retailer. I think in Winnipeg there is a jobbing house, and there may be some in Ontario, but I do not know of them.

By Mr. Sales:

Q. The same spread does not exist in the furniture business?—A. As a rule, no; but there are some very interesting spreads in the furniture business, too.

By Mr. Gardiner:

Q. Would not an explanation of the stocking deal be found in this way, that under ordinary conditions hosiery passes through two or three hands before it gets to the retailer, the price being increased all the time, and that $1.29 would represent what the spread would usually be?—A. I cannot say as to that; I have not made any investigation upon that point. These are concrete cases that came to my notice where the manufacturer sold direct to the retailer. In certain lines there is quite a large percentage of commoditis that are sold by the manufacturer direct to the retailer in this country at the present time.

By Mr. Sales:

Q. The name of that retailer should be put upon our records, so that we would know what methods are being pursued.—A. I would not like to give that information.

The CHAIRMAN: Mr. Bowman's informant may be selling to that man again, even after that interchange of courtesies. They buy and sell goods to each other, no doubt.

By the Chairman:

Q. If you think you would not care to divulge the name, you need not do it.—A. I am not going to do that, Mr. Chairman.

By Mr. Sales:

Q. What about furniture, Mr. Bowman?—A. The average furniture dealer in Canada is selling at a fairly good spread in some cases. I have heard of a spread recently of 100 per cent.

Q. When you were talking yesterday about the farmer, you were holding a somewhat different view?—A. I do not want to speak of anything upon which I am not sure of my ground and have not investigated personally. You are asking me to repeat hearsay evidence, which is a very awkward position for a man to be placed in when giving sworn evidence.

Q. Yesterday you were dealing with a business you did not know very much about?—A. I disagree with that, Mr. Sales.

Q. But you are not in the business—I will put it that way. Here you are dealing with a business that you are interested in, and you should be as good an authority to-day as you were yesterday.—A. That is not quite fair, Mr. Sales. I have a certain amount of capital invested in a furniture manufacturing concern, in connection with which I do not devote any time as far as the details of manufacture are concerned. I have no interest in and have no expert knowledge of any other line of manufacturing, apart from my general experience and general knowledge that I have acquired. As far as having any definite knowledge of the exact details of any specific line of manufacture, I have not got that.

Q. But you will be interested in seeing articles of furniture sold and displayed for sale at prices, which will leave you a very fair idea of what the spread is?—A. As far as the furniture business I am interested in is concerned, I am in the happy position of saying this, that that furniture is sold to the people at the lowest margin of profit of any that is sold to the people of Canada.

Q. What would that margin be?—A. I would say an average of 25 per cent.

Q. From the manufacturer to the consumer?—A. Yes, sir, from the manufacturer to the consumer.

By the Chairman:

Q. It goes to one large house, which distributes it?—A. The bulk of it.

By Mr. Sales:

Q. Now will you give us those cases with the wide spread?—A. This is hearsay, Mr. Sales. I have heard of cases where there was a spread of 100 per cent and slightly beyond 100 per cent in high grade furniture sold exclusively in the cities. The grade of furniture I have in mind now is a grade that very few people in the cities would buy. For myself I would never buy it, and 95 per cent of the people in cities, people of means too, would not buy it. But some people want a big house; when they have made some money they want to make their house a show place. In that case price does not cut any figure. When they want to get rid of their money, they take the chance in the furnishing of their houses.

By the Chairman:

Q. Supposing in an attempt to cut down the distribution costs, and in an attempt to compete with the mail order houses a certain number of retailers formed a wholesale company, in order that they might be able to buy direct from the manufacturers and retail again to their shareholders and members or others at a lower spread than is usually charged from wholesaler to retailer, can you see as a wholesaler any objection to that?—A. Not the slightest, Mr. Chairman.

By Hon. Mr. Tolmie:

Q. Would you advocate a removal of the tariff to meet this situation, to prevent this undue spread?—A. Not at all. It would not have any bearing upon it. The tariff has no bearing upon the abnormal cost of distribution.

By Mr. Sales:

Q. Would you say that our system of distribution is a most expensive one? A. I think the system of distribution and the charge that is made for distribution in Canada to-day, that is from the manufacturer in Canada to the consumer, is to-day altogether out of line. It is on a most unsatisfactory basis in Canada to-day, more so that it ever has been in my experience.

Q. With regard to your tariff, I notice that it is all a matter of comparative terms, Mr. Bowman. You speak of a high tariff as being bad in its effect, and a moderate tariff, and your friends the Canadian manufacturers generally use the term "adequate." Who is to determine what is high or moderate or adequate?—A. I think that is a matter for careful scientific investigation on the part of the government, and those charged with dealing with the tariff weighing matters carefully from every angle and having at all times before them, in the adjustment of the tariff, the best interests of the consumer.

Q. What do you think of this, that any industry demanding tariff protection, stating that the tariff is necessary in order to carry on, should be invited before a small committee of this House to bring its books and show how much it needs and why it needs it, before any is given?—A. I am perfectly frank in this, and if I were interested in an investigation and were charged with a responsibility like that, I would want to go a great deal further than merely accepting the hearsay of the people in the business. I would want everything shown up in black and white in connection with the business, and everything like that. That is the ony way to have an investigation.

Q. And would you recommend that way?—A. I do not know that any particular purpose would be served by having it before a committee of the House, but you could get on further if the Cabinet, the Government, is charged with getting the information. They should have experts who are competent to make a most thorough investigation, and every manufacturer should be forced to throw everything wide open to assist the Government in bringing about a proper, well balanced tariff.

Q. If you would undertake to do to-day what you did yesterday, that is, you read the farmer a little lecture on the need for getting down to a sound economic basis——A. Yes.

Q. ——and adopting good business methods.—A. Yes.

Q. I think you would be in a good position to read a similar lecture to the Canadian manufacturer.—A. I think, along certain lines, I might be in that position, for this reason, that I differ—I have views that are different from those held by many of my manufacturing friends, and privately I have frequently, at every opportunity, read that lecture.

Q. It does not have any effect as long as they can lean on the tariff?—A. I have not seen any results.

Q. The removal of the tariff would help them stand on their own feet?—A. The trouble in this world is this, that one of the greatest curses is selfishness, and when you get super-selfishness in an individual, there is bound to be trouble.

By the Chairman:

Q. Do you know what a great Frenchman once said about protection, that it was an appetite, and that it was very hard to reason with a person about their appetite.—A. That is very well put, I think.

Q. I guess there is a great deal of truth in that?—A. Yes.

By Mr. Caldwell:

Q. I would like to ask a question in regard to that investigation to decide whether the tariff is necessary or not. Would you consider that if a commission went out and took evidence from the parties interested, those wanting protection, it would be an investigation without asking them to produce their books to show what the cost of manufacturing was?—A. In my judgment it should be the most thorough and exhaustive investigation that it is possible for the most efficient experts to make.

Q. And it would include the production of their books?—A. That is the only way, in my judgment, in which you could make an absolutely exhaustive and intelligent and highly scientific investigation.

By the Chairman:

Q. And even then that would be far from conclusive, because if I know anything about company organization, I have seen entries made in books and things charged up to capital as organization expenses which was just a method of getting out watered stock, and that happens quite often, does it not?—A. I never had any personal experience in that respect.

Q. But being a gentleman of wide experience, you know the thing has been done?—A. I have suspicions that at times it is done.

Q. Suspicions more or less well founded.—A. I think they are quite well founded.

By Mr. Sales:

Q. With regard to the association of furniture makers, I presume when they formed that association they would invite all manufacturers to join?—A. Yes.

Q. I presume a matter like that would come before your board and be discussed?—A. Years ago we were invited to join, and we decided not to. I might say in connection with that matter though, that in a great many respects the furniture association has been a very good thing, for this reason. The way the furniture association has been managed has brought the furniture manufacturers together in other matters, apart altogether from the matter of price. The Furniture Manufacturers Association engaged one of the most efficient cost experts I know of in Canada, whose commission was to visit every factory that was in the association and carefully investigate their costs and point out to them where they were not getting proper costs, and as a result, to-day I have no hesitation in saying that the furniture manufacturers of Canada are better equipped in their plants and have reduced quite perceptibly the cost of manufacture through the improvements in plant and method which have been suggested by this expert. That is one phase of the work of the Association which, I think, has worked out very very satisfactorily and has been to the advantage of the consumers of Canada.

Mr. Sales: I will agree that there are other good uses besides the matter of arranging prices, of course.

By Mr. Robinson:

Q. Mr. Chairman, might we go back to the question of distribution?

The CHAIRMAN: Certainly.

By Mr. Robinson:

Q. You said the cost of distribution was greater to-day than ever before or something to that effect?—A. I do not know that the cost of distribution, apart from certain phases, is higher; transportation is higher, but the standard or—put it this way, the spread between the price that the manufacturer gets in Canada for his commodities as compared with what the consumer pays, represents to my mind, the highest basis of spread we have ever had in Canada.

Q. Could you suggest any way by which we might arrive at the cure for that?—A. No, I cannot, because I never charged my mind with that, and even if I did, I doubt very much whether I would be competent to give any suggestions.

Q. What are some of the elements that go to make up this great spread? Transportation is one?—A. Transportation is one, the increased standard of salaries, the increased cost of living, and in a great many cases, just as I have cited here, the abnormal percentage of profit which is charged to the consumer. In that respect, right here, Mr. Chairman, I do not wish to convey the idea that the retailer at the present time is making an abnormal net profit. The difficulty of the situation, I think, Mr. Chairman, is emphasizeed by this fact, that there is a curtailment in business, a curtailment in turnover, and the retailers have found themselves loaded up with heavy rents and high overheads and a reduced volume of business, and are attempting to carry on, in a great many cases, with only half the business. Therefore the consumer is taxed with an abnormal profit, in order that these men may keep their heads above water. The fact is, on the volume of business that there is in Canada to-day, in a great many cases there are two men trying to serve the public where one man could do it.

Q. Then the high or low tariff would have no effect on the selfishness of these people?—A. No, a high or low tariff has absolutely no bearing on the price that the manufacturer gets and the price the consumer pays.

Q. There is an increase there that is not due to the tariff at all?—A. No, the tariff has no bearing on it at all.

By Mr. Sales:

Q. Except from this angle, that when goods are imported for $100 and a duty of $35 has to be paid, the man handling that figures on a profit on the duty, and the cost of the material, which naturally is pyramided up to the consumer?—A. Naturally, in that respect, on imported goods, the tariff has some bearing. I was dealing from the standpoint of goods manufactured in Canada.

Q. The tariff is an integral part of the price?—A. Yes.

Q. And the wholesaler charges a profit on that, as well as the retailer, and by the time the article reaches the consumer the price is considerably increased?—A. It may be, I have never been in the wholesale and retail business, and I have no personal knowledge as to how that is applied.

Q. If you were buying imported goods, and paying duty on them, you would say, if you paid $100 for the goods and a duty of $35, that it cost you $135?—A. Yes.

Q. Therefore making it an integral part of the price?—A. Yes.

By Mr. Caldwell:

Q. Would that not affect the Canadian manufacturers also, because the imported goods set the price for Canadian goods?—A. It would have a bearing on it.

Q. Practically the same effect?—A. The tariff has a bearing in a great many cases to some extent on the price of the Canadian manufactured goods, but no bearing on the spread between the manufacturer's price and the price to the consumer.

Q. You admitted a minute ago that due to the fact that the manufacturer, the wholesaler, the jobber, and the retailer must charge a profit on his whole investment in his goods, he must charge a profit or an overhead charge, whatever you call it, on the duty as well as on the price of the goods?—A. Yes.

Q. Therefore, if the tariff on imported goods sets the price of the Canadian product of the same nature, if affects the price of the Canadian product as well as the imported product in so far as the overhead charge is concerned?—A. But the increase in that respect is not involved in the question of distribution.

Q. Yes, absolutely, because every time a man handles these goods he must have an overhead charge to cover the cost of handling, and a profit not only on the price of the goods but also on the enhanced price due to the duty. In that way it does increase the price.

By the Chairman:

Q. I think what it does do, is that it starts the goods off on their journey of distribution at a higher price. It will not increase the proportion of cost, but as it starts the goods off at a higher price, it means the consumer at the end has to pay for it.

By Mr. Elliott:

Q. Mr. Bowman, going back to this Tariff Commission, have you in mind a commission constituted very much on the same lines as the Railway Commission is at the present time?—A. I am not in a position to give that; I have not given any serious thought to it, but I think there should be a commission, not a permanent commission.

Q. Not a permanent one?—A. No.

Q. This commission, in your opinion, would only be for the purpose of making recommendations to Parliament, it would not have the power of deciding on anything?—A. I do not know about that. There is a certain procedure to be followed; Parliament is responsible to the people, and Parliament should have the say in a matter of that kind.

By Mr. Caldwell:

Q. Mr. Elliott's question is, would you advise the Government to appoint a commission that would set the tariff on the different articles?—A. That the commission should settle it absolutely, independently of Parliament?

Q. Yes?—A. No.

Q. I take the witness to mean that the commission should determine the tariff the different manufacturers are entitled to?—A. And the responsibility for fixing that should rest on the shoulders of the people directly responsible to the people of Canada.

Q. I believe we had an investigation of that nature a few years ago, in fact I gave evidence before it, but as far as I know they did not get any statistics there to show the cost of manufacturing any article?—A. I have never had any personal experience in connection with these investigations.

Q. Another thing, Parliament has never taken up the report of that commission. We do not know what their findings are.—A. I would suggest that Parliament get busy.

The CHAIRMAN: Now, gentlemen, we have a number of other witnesses, and I am going to excuse Mr. Bowman unless there are some further questions

to be asked. We are very much obliged to you, sir, and we hope that all of us, manufacturers, farmers, lawyers, and everybody, shall profit from the very wise observations which you have been kind enough to make.

Witness retired.

The CHAIRMAN: We have representatives of the shoe manufacturers here to-day, and I think we should hear them now, but with their permission, we will change the order. There is a gentleman who has been here a couple of days, and who has to go before the Banking Committee this afternoon, we will put on this morning.

Q. Your full name?—A. Alexander N. McLean.

Q. What is your business?—A. Retail dry goods and clothing.

Q. Were you ever in the banking business?—A. I was.

Q. For how long?—A. Thirteen years.

Q. Where were you in the banking business?—A. In New Brunswick and Ontario.

Q. And was it in the rural districts, or in the urban districts?—A. Both.

Q. You have, I understand, Mr. McLean, given some attention to the important question of rural credits?—A. Well, I have of late. At the time I was banking, why, money was much cheaper and freerer than it is to-day.

Q. Well, now, Mr. McLean, we would be very glad if you would impart to the Committee some of your views on this very important question.

Mr. CALDWELL: Mr. Chairman, might I ask the witness a few questions, and it would perhaps shorten his examination?

Q. We would like to have first what your experience in banking has been. In what capacity did you enter the bank?—A. I entered as junior. When I retired I was inspector.

Q. You occupied practically all the position up to inspector?—A. Yes.

Q. You were manager of a bank in a rural community, were you not, for a while?—A. Yes.

Q. Now, there have been two lines of thought presented to the Banking Committee. I think it has not been presented to this Committe entirely. The bankers who appeared before the Banking Committee have stated that there is no barren area of credit that their present banking system takes care of?—A. From what I have read, I think that is about right, but Sir John Aird said there was an area where rural credits would be feasible.

Q. From your experience would you say there is any barren area of credit?—A. I think there is. I think under the present Bank Act banks are doing all they can. We must remember that banks are taking deposits payable on demand. It is not fair to load them up with long-term credits. What I mean by that is credits of two, three and four years. I understand your experience in the West is that you might miss a crop, or have a crop failure for one or two years. In a case like that I think there is an opening for rural credits where there is a barren area.

Q. You say where the banks accept deposits on demand it is not within the possibilities of the Bank Act to make long-term loans?—A. They have to keep their assets in liquid shape.

Q. Would you tell the Committee from your experience what causes the flow of capital to some industries in preference to others?—A. Well, that is quite a long story. Of course, it goes beyond my memory, but in studying the question, and looking back to Confederation, it appears to me that at the time of Confederation agriculture, compared with the other industries, was in

a much more prosperous state than it is to-day. If capital is left alone, without artificial loss, it will flow in a natural state, and every industry will get its fair share. If an industry does not get the capital, it must be due to some fault of the industry, but since Confederation you have passed a good many laws, like tariff laws and subsidy laws, that have caused a flow of capital away from agriculture into other industries.

Q. That is, agriculture has not been bonused?—A. No, I cannot see that it has, on a par with the other industries by any means, and in that way it does not seem to me that agriculture is on as fair a basis as the other industries are. This condition was not felt for a long time. We had much immigration into this country, and a lot of money was being spent for construction work, and one thing or another, and up to the year about 1913, why, we did not have to face the facts of the situation, but at that time the flow of outside capital halted, and just before the war I think if you remember, why, there came a condition that caused those interested in agriculture to pause. But then the war came on, and everything was abnormal,—the most abnormal times we ever had in the history of the world, and now we are getting back to where we stopped in 1913.

Q. And your idea is that if we had not had the war?—A. That you would not have to face the situation in which you are to-day.

Q. Now, on the other hand, you said you believed there is a barren area of credit. Do you believe that the withholding of credit from any industry will affect the price of the commodity produced by that industry?—A. Not to any extent. It might locally, but very temporarily.

Q. I would like to take a concrete case. We will take the wheat crop, where the price is set in the world's market. Supposing when the farmers harvst their wheat crop in the fall, they have bills to meet, and they cannot get credit from the banks, or from any other source to pay their bills, and they must drop that crop on the market at once. Speculators who have large storage capacity, and have capital, will actually reap the benefit. They will buy at a cheaper price than if the farmers had a market extended over the year.—A. There is no question but that the speculator will always take advantage wherever he can, but still, I cannot imagine the banks discriminating against the farmer to the benefit of the speculator. It is not good banking.

Q. You have stated that under the banking system they are not able to give long-term credits of six months to a year, to farmers. We are not making any claim that the banks are unjustly discriminating, but due to the Bank Act, they are unable to accommodate this credit for years.—A. I would say beyond a year. In the case of a crop failure one year, if a farmer wants to carry it over, perhaps a loan might run two or three years. Take the mortgage companies. There is quite an initial expense. They are not looking to lend money out for five years; they are looking to have money out for ten years. There is quite an expense to it.

Q. You believe the present Bank Act will not accommodate these long-term notes at longer than, say, three months?—A. I think you would have to get special legislation to carry the area between what the banks can do and what the mortgage companies can do.

Q. Do you think it would be possible to pass a Bank Act to enable the banks to make the long-term notes?—A. No. I think the provinces that have gone into the banking business, that is, taking deposits on long-term loans, are making a mistake. I can see from the experience I have had in business and finance, that it cannot be done, that is, when you are obligated to your depositor, he is liable to come in at any time.

Q. Of course, in that case, the province may be under the necessity of issuing bonds to pay the depositor.—A. Yes.

Q. Supposing that the Federal Government was to go into this thing, do you think the soundest policy would be to issue bonds?—A. Yes, federal bonds issued by a very competent federal board. You would want representatives of the agricultural interests, and a good banker on the board.

Q. Have you looked into the United States scheme of rural credits?—A. Yes, I have read it.

Q. What do you think of it?—A. I think it is a very good scheme.

By Mr. Sales:

Q. You would say that the system of banking has grown up to feed commercial business, and is therefore not fulfilling the need so far as agriculture is concerned?—A. Well, it does not seem to fully fill the bill, as far as the Western country goes, because banks cannot loan on fixed assets. I do not think it is desirable that they should.

Q. And the commercial system demands 30, 60 or 90 days' credit, which is absolutely unsuitable to the farmer?—A. Yes. They have a quick, consumable commodity, whereas the farmer's commodity may fade away owing to crop failure or hail storms, but the next year he is bound to come back.

Q. So there is a need for something that we have not got to-day?—A. Yes.

By Mr. Caldwell:

Q. You refer to the Western farmer. How about the Eastern farmer? A. Except in some districts, where they have specialized, I think the Eastern farmer is fairly well provided for. Take the potato district, where they have had trouble. The Eastern farmer, and the Maritime farmer, have got money very easily. The farming has been diversified, it has been mixed farming, and in fact I think that the farmers were the mainstay depositors in the past.

Q. But that is not the position to-day—A. No, I think they are having their troubles.

Q. Now, as to the different systems of rural credits, the Manitoba, Ontario, and United States systems, which do you think the soundest?—A. Well, the soundest certainly is the one where you issue term bonds. The details of administration I would say is another matter.

By the Chairman:

Q. You say, "Where you issue."—A. Whoever is at the head of it would issue the term bonds.

Q. Have you made up your mind that it should be the Government, or that it should be a loaning organization separate from the State? -A. It should be put on by the State, because it is pretty hard—capital is rather timid, and it is pretty hard to ask the investor to start the thing. I think in time it could be put on its own feet, if it was given federal endorsement at the start. I am sure it could be put on its own feet.

By Mr. Caldwell:

Q. With the aim of transferring it to the investor at a later period?—A. I do not think there is any need of setting up a lot of machinery to carry it out. Perhaps you gentlemen would not all agree with me, but I am sure that the banks would co-operate with you in this way. They have their branches reaching all over the country, and if there was an inspector representing them who made the recommendation, there is no reason why the banks should not take these loans. To work out this thing, you want to do it at the lowest possible cost, as there is no use loading up a scheme with a lot of machinery. What you want in the West is cheap money, and the least expense you put on getting that money, means that it is going to be better for the farmer.

Q. And you believe that it could be done cheaper if the Government would form farm loan boards, with representatives in each province to pass on loans, and handle all the business except the financing, and that could be done through the present banks—A. Yes. Sir John Aird said that you would not have any trouble in having them co-operate with you.

By Mr. Gardiner:

Q. Is it not a fact that in conjunction with our present banks they have loan corporations that the banks are interested in?—A. You mean, they have loan corporations that in turn loan?

Q. Yes, such as trust companies, etc.—A. Well, trust companies, in my experience, usually have their own money. They are handling estates.

Q. Is it not a fact that in connection with each banking institution in this country, that they have to all intents and purposes trust companies that are subsidiaries of those banks?—A. Yes. The trust company loans are more lenient than the bank loans. The banks have considerable business of their own, and the larger banks have trust companies.

By Mr. Caldwell:

Q. Your idea would be that the banks would not have any say in these loans?—A. Yes.

Q. They would not be able to hold up a loan?—A. No.

Q. They simply do the financing for the association?—A. Yes.

Q. To save setting up a duplication of machinery you think it could be done through the present banks at a very low cost?—A. Yes.

Q. But they would have no authority over the granting of the loan?—A. Not a bit. When the application went in, it could be first forwarded to the local inspector.

Q. The local inspector for the farm loan board?—A. Yes, and if he did not pass it, the farmer could still have an appeal to the Ottawa Board. They would have the final say on that board, and we would want as good a man as the banks have, or the trust companies have, to act on that board in a proper business way.

By Mr. Sales:

Q. Mr. Gardiner raised a very important question. If the banks have trust companies of their own, how can you expect co-operation when it would be competing with its own business? What trust company is connected with the Bank of Montreal?—A. The Royal Trust Company.

Q. What about the Bank of Commerce?—A. The National Trust Company.

Q. And the Royal Bank?—A. The Montreal Trust Company.

Q. And the Bank of Nova Scotia?—A. The Eastern Trust Company. Always consider that they are very close. They get the Nova Scotia business. I may say that they could handle the applications. They are in the money business or the banking business. If there are payments to be made one way or the other, why not use the agencies that are on the ground?

By Mr. Caldwell:

Q. You would not be using the banks' funds?—A. No, if the farmer wanted to pay his interest, he would come in.

Q. In the application for a loan the bank would have no jurisdiction?—A. No.

By Mr. Sales:

Q. Do the existing banks furnish funds for these trust companies?—A. I do not think so.

Q. What is the connection?—A. Well, banks have considerable business of their own that a trust company can do.

By the Chairman:

Q. And that the bank cannot do by law?—A. That is right. For instance, if a bank has a large customer, when his estate comes to be administered, they have influence enough perhaps to hand it over to their own trust company, and the business goes right on.

Q. The Royal Trust Company directors and the Bank of Montreal directors are pretty closely identified?—A. Yes.

Q. Does that obtain between the Montreal Trust Company and the Royal Bank?—A. Yes.

Q. And does it obtain between the National Trust Company and the Bank of Commerce?—A. I cannot speak positively as to that.

By Mr. Sales:

Q. So, if I die and leave an estate, when my wife goes to the local banker, she gets some very good advice as to who shall administer her affairs. Is that true?—A. These trust companies are very reputable, and probably can do the work better than an executor.

Q. It is a ramification of capital?

By Mr. Gardiner:

Q. You have had quite a considerable experience in the banking business? —A. Yes.

Q. Is it not a fact that many farmers, because they do not understand, use their credit to better advantage than they usually do? Has that ever been part of the curriculum, you might call it, of the banks?—A. No, there never has been any concerted action in that regard. What local managers do in isolated cases, I do not know. I do not think, as far as the general managers go, that they do.

Q. Is it not a fact that many farmers, because they do not understand, use their credit in ways that might be improved upon if they only had someone to give them advice?—A. You mean, their short-term credit or any credit?

Q. Any credit that they may be using, either short-term or long-term.—A. I cannot speak definitely. As a business man I seek advice of those that I might possibly ask credit from, or that I consider more professional than I am, and I think it is the same with the farmers. If they have the right kind of man to advise them, I think that certainly it would be to their advantage.

Q. You understand, of course, that during recent years, out in the western country, there has been a great expansion in the number of branch banks, and consequently many young managers have been brought in who have only very limited experience, and perhaps some of our troubles may be attributed to the fact that they have not had the experience to advise their farmer customers as to how to use their credit to the best advantage. I was interested very much in your proposal in so far as handling funds of the banks was concerned, but I must say that I believe that the local organizations, such as they have in the States, will provide a better system inasmuch as the local board will be in a position to advise the people in the neighbourhood as to how to use their credit to better advantage than what the branch managers do at the present time. I think that is the greatest weakness we have in our banking system.—A. This would not stop your local board at all. You would have your local board just the same, and if the local board advised that credit, why, the bank would not have anything to say about granting it.

Q. You mean to say then, that you would set up the machinery of the local board, and all that the bank would do would be to handle the funds?—A. Yes.

By Mr. Caldwell:

Q. Along the lines of Mr. Gardiner's questions, are the banks not in position to have private definite information as to possible supplies of commodities such as cattle, butter, cheese, and wheat? Would they not get crop reports?—A. The head office does.

Q. Which could be disseminated to the branches?—A. Yes.

Mr. SALES: The Head Office would get the information from the branches.

Mr. CALDWELL: No, I am referring to world conditions.

Q. So that in that way the banks could be quite a help to the farmers if the farmers would go to them for advice?—A. Yes.

Q. You could hardly expect the branch managers to go out and tell the farmers this.—A. No.

Q. And a great deal depends upon the initiative of the local manager?—A. Yes, the local branch manager can do a great deal for the district.

Q. It is not part of the policy of the banks to disseminate this knowledge through the branch managers?—A. I have been out of the banking business for the last seven years. What they are doing to-day, I would not want to make any positive statement about.

Q. If the farmers would make a demand on the different banking institutions for this information, you do not think there would be any trouble getting it?—A. No, not a bit.

By Mr. Tolmie:

Q. From your banking experience has the farmer been a good credit? If he borrowed for three months, and at the end of three months he paid part of it, and paid his interest promptly, would you not extend it over a period of a year or eighteen months?—A. If the moral risk was good, and the farmer was doing his best, yes.

Q. He would get the same consideration as the business man.

By Mr. Sales:

Q. Was it the policy of your bank that farmers' loans should be cleaned up at the end of every year?—A. We always like the money, to turn it over, but it was never our policy to work a hardship.

Q. And didn't the banks change your managers around from place to place at the end of the year?—A. No, sometimes we would be at one place for several years.

Q. It is different out West. We have one man—when times get hard and crops are poor, that man, who is on very good terms with his people is sent to some other place and a stranger is brought in.—A. You mean, one man makes the loans, and the other man collects them?

Q. The new man's business is to collect the loans at the end of the year.—A. I never had that experience.

Q. You have never been in the West?—A. No.

By Mr. Tolmie:

Q. You would like to have them all cleaned up once in a while?—A. Yes.

Q. But the farmer who is good and sound financially, has just as much chance of borrowing money as the business man in the city?—A. Yes, I think he has.

Q. And if his business is not just right, he has no better chance than the business man?—A. No.

By Mr. Caldwell:

Q. But due to the fact that the business man's turnover is quick, he is in a better position to comply with the banking regulations than is the farmer?—A. Yes, he is in a better position.

Q. He might get it renewed three or four times after it was due?—A. Yes.

Q. But there is no guarantee about the first time?—A. No; it is a mutual understanding.

Q. If he could get a loan for three years, he could make arrangements to meet it at the end of the three years?—A. Yes.

By Hon. Mr. Tolmie:

Q. Is there any guarantee that a business man who could not pay up would get three or four renewals without being squeezed?—A. No. It is the same thing. Still the farmer is up against a crop failure, which may come back the next year, while a business man is up against a real failure, and he might not come back for a good many years.

Q. I can easily understand the difficulty of the farmer who gets one crop. If he conducted diversified farming, it would be a great deal better for him? Doesn't it depend upon the individual a great deal?—A. I firmly believe in what the late J. Pierpont Morgan once said. He said that in lending money in some cases they did not consider the security, that he knew men who were worth a million to whom he would not lend five cents, and other men who were not worth five cents to whom he would lend a million. He was asked the question "What do you lend on?" His reply was "I lend on character."

By the Chairman:

Q. On that basis a number of us feel that the farmer should be entitled to very handsome treatment.—A. I will admit that the percentage of loss in farmer loans is practically nil. We consider the farmer a good risk.

By Mr. Gardiner:

Q. Another question is this. In regard to the provinces that are now doing this long-term credit business, do you know any of the Provincial Governments that are doing this long-term business out of deposits?—A. I say that I am not in favour of that, but I have understood that it is being done. I am not in favour of taking deposits that you are liable to pay back from day to day and turning them out on long-term loans. You are going into the wrong market. You are taking money for current trade that you may have to hand back from day to day to the investor. You withdraw from the man who has a surplus his deposits, and use them as money that you expect to carry on the current trade of the country with.

By Mr. Caldwell:

Q. In that way getting the money out on long-term loans will interfere with the general trade of the country?—A. Very much so.

By Mr. Gardiner:

Q. Let us go into the matter a little further. Suppose you do take deposits and lend them out on long-term loans, they would not disappear, they would come back into the channels of trade immediately, they would not go out of existence?—A. No, they would not go out of existence. They will come back through different channels. The people who accept the loan will not get it back, by any means.

Q. But suppose I want a loan to build a house on my farm, or to buy lumber. Part of that money goes into lumber, to buy cement and other things

necessary to go into the construction of the house. Does it not come back into the channels of trade again?—A. Yes. It will circulate until it gets to the man who does not need it in his trade, and he will invest it with another man who wants a long-term loan.

Q. Is that not good business?—A. Yes.

Q. What is the objection to making loans out of deposits?—A. Because deposits come from a lot of individuals, probably not one in twenty of whom has a surplus; they come from people who are liable to draw them back and use them in current trade. Maybe they have kept on trading and are successful, one in twenty or thirty of whom will have a surplus of say $1,000. He only needs $1,000 to keep on trading, and puts the rest of it out.

Q. Isn't the objection rather in the fact that under the Bank Act at the present time we have the peculiar phenomenon of having to give banks by law the privilege of taking deposits, and that they are the only institution in this country that we have to give that power to? Isn't that due to the fact that when they take deposits and pay interest on them they are merely taking deposits and paying interest on those deposits for the purpose of putting them out in anticipation of the day when they will have to redeem their promise to pay; isn't that the real objection? —A. I could not follow that. For instance, in the ordinary course of business I may be engaged in the drygoods business, and might have $1,000 or $5,000 in the bank, but I am not getting any interest on it; on the other hand, there are other depositors who put in from $1 up to form a savings bank account perhaps for Christmas, and then draw all of it.

Q. But they do not amount to any great percentage of the loans on deposit?—A. Maybe so.

Q. Isn't the real objection of the banks to long term loans the fact that when they issue money it is a promise to pay, and the banks might be called upon to redeem that promise to pay? If they can hire the money from those who have it on deposit, they are merely deferring the day when they will be called upon to pay off that promise?—A. I cannot agree with you there.

Q. Well, in the first place is a bank not making a promise to pay?—A. Yes.

Q. How do the banks make good their promises to pay?—A. When their promises are redeemed. They redeem their promises when the money goes into the bank through their clearing house.

Q. That is Dominion notes?—A. Dominion notes.

Q. I think if you will dig into the question pretty thoroughly you will find that the real reason why the banks and others in the financial world object to using deposits for long term loans is because, as I have stated, that they would pass into another channel and that they might be called upon to redeem their promise to pay?—A. Unless the banks operate the way they do, taking deposits of from $1 up, payable on demand, they would not monopolize the money business of the country. I remember when we used to get in twenty deposits, and they would gradually accumulate, but generally that has passed away. People realize that they can get their money when they want it, and through that system they seek to have more money go out than otherwise.

By Mr. Milne:

Q. If the Government could sell those bonds at 5 per cent, what would the farmer have to pay according to this system on a three-year loan, about what? —A. That is a matter you would have to figure out. It would be according to what your cost of administration was. My idea was to keep the cost administration down to the very minimum.

Q. I thought you had made some estimate of it?—A. No, I have not. In the United States I think it is about one and a half per cent. According to some statistics I had on those twelve banks, the cost was to be about 6½ per cent.

Q. You do not see any reason why it should be more expensive in Canada? —A. No. Of course the United States Government probably could get their money a little cheaper. There would be a difference between the United States public credit and the Canadian public credit.

By the Chairman:

Q. As a matter of fact the United States, for these long term loans do not get it from the States but from the issue of bonds?—A. Yes, that has been in operation for some time. There is one more statement I would like to make, Mr. Chairman. I am a retailer, and I was interested in the last evidence given about the retailers. It seemed to me that the witness was certainly giving the retailer a little more than his share, in the cost of distribution. I am going to tell you that if any one in the last three years has taken his loss it has been the retailer. The manufacturer can close up his factory, but the retailer goes the year round, and takes his loss every day in the year.

By Mr. Caldwell:

Q. You mean during the deflation in prices?—A. During the deflation in prices. There was some money made, I will admit, while the inflation was on, but the Government came along and took 25 per cent of it or thereabouts. We got it in stocks and book debts, and the thing accumulated. I might quote an example showing how this inflation affects the retailer. I am in the garment business. I have on my shelves say 10,000 garments; I sell those 10,000 garments and get the money, which is the representative of wealth. According to my auditors and so forth I make $10,000. I go back about the beginning of the next year and buy 10,000 more garments, and I pay out my whole profit, all I had made the year before and perhaps a little more for those garments, so that in real wealth I am not a cent better off.

By Mr. Sales:

Q. But does that actually happen? You do not sell all your stock before you buy more?—A. No, it is a gradual replacement. As we are replacing, it is bound to happen.

Q. When you take in your winter stock of garments, you buy them in the summer?—A. Yes.

Q. You are buying sometimes a year ahead?—A. Yes. That is the way they load the retailer up.

Q. But being a year ahead, you have the advantage in the prices, therefore if you are a wise business man you will raise the price of what you are selling and gain on the inflation?—A. If I were going through that period again, I would do so.

Q. Well, didn't you?—A. No, sir, I did not, but I think if I were going through it again I would.

Q. But you were creating the impression that you were selling out your stock before you were replacing it?—A. Every day we are replacing it, using more, using our profits and using up our original investment. I think every retailer of any experience will bear me out in that statement. The retailer has certainly been up against this.

By Mr. Sales:

Q. What margin of profit do you take as a retailer?—A. It is not what you take; it is what you can get. The argument was given here that the article costs the retailer so much, and he wants a net profit, and he marks his goods so much, and he proceeds to sell them, and I am going to tell you, gentlemen,

that if the retailer tried that during the last two or three years he would have his goods yet. The retailer in business to-day is the one that took his loss according to market prices, whether he got 10 per cent above cost or 10 per cent below.

Q. We are getting away from the point; these last two years have been abnormal. In the ordinary run of business, when an article costs you so much, you figure your rent and overhead, the cost of doing business as so much. What do you write up your goods at?

The CHAIRMAN: To take care of that as well as your profits?

By Mr. Sales:

Q. Yes, and never mind the last two years.—A. If we could make three per cent or four per cent——

Q. You have not answered my question. I asked you what you added to the price of your goods to cover your expenses of doing business and your profit. —A. I would say around 30 per cent; with different goods there is a different percentage.

Q. Not more than 30 per cent in any line?—A. Yes, there might be some lines a little over that.

Q. What is your highest percentage, 50 per cent?—A. 50 per cent would be the highest.

Q. On what lines?—A. I cannot give you that offhand, because I am not the buyer.

Q. No, but you are a man who has goods and you are fixing prices at which you are going to sell them, and you must know what you would add to them.— A. On luxuries—if I were handling Palm Beach suits, I could not handle them under 50 per cent, because there is only a short season, and I might have some left.

Q. Boots and shoes?—A. No.

Q. How much on them?—A. I have only been in the shoe business during the last six months.

By the Chairman:

Q. Just tell us your experience in the last six months.—A. I would say about 40 per cent.

Q. Tell us what you buy your shoes at. Take a standard line; what do you pay a dozen for them?—A. I am not the buyer, and perhaps I am not competent to answer that.

Q. No, but you are the owner of a business.—A. Part owner.

Q. Well, sir, from your looks, we do not believe that much goes on in that business that you do not know about. What do you pay per dozen for shoes such as the one Mr. Sales is handing to you?—A. We just handle three grades of shoes.

Q. Shoes of the same class as that?—A. It looks to me like a shoe that would sell around $6 retail.

Q. What would you pay for it?

By Mr. Sales:

Q. What would you call good buying at to-day?—A. Around $4.25.

By the Chairman:

Q. Would you pay $4.25?—A. That is a shoe that would retail at $6.

Y. You would pay $4.25?—A. You must remember you have sales taxes and transportation.

Q. I know, but it is the gross that we are trying to get at. The boot you have in your hand would sell at about $6, and you would pay about $4.25.—A. I am just making an estimate; I am not the buyer; I am not a technical man.

By Mr. Sales:

Q. Who buys your shoes?—A. We have a man in that department.

Q. You do not buy them yourself?—A. No.

The CHAIRMAN: Now, gentlemen, shall we try and get the boot men on before lunch, and make a start? If there are no more questions, I thank you very much, Mr. Maclean, for coming before us and helping in our investigation.

The witness retired.

Mr. MCKAY: I would suggest that if the next witness has a statement, he be allowed to make his statement all the way through without interruption.

The CHAIRMAN: Very well; do you want me to insist upon that?

Mr. MCKAY: Yes, and we can question him afterwards.

JOHN ELLIS WARRINGTON, called and sworn.

By the Chairman:

Q. Where is your place of abode?—A. In Quebec.

Q. What company are you with there?—A. The John Ritchie Company.

Q. And what position do you occupy with that company?—A. I am vice-president of the company.

Q. What are your particular duties as vice-president?—A. General manager, practically in full charge of the company.

Q. You have a statement, Dr. McKay tells us.

Mr. MCKAY: No, if he has a statement.

The CHAIRMAN: Have you a statement to place before us?

Mr. SALES: I would like to discuss the proposal of Mr. McKay to let the witnesses go through with their entire statement. My objection is this, that a man gets away with a statement; you make a note of it, but in the reading of the evidence the whole thing is disconnected. If that statement is refuted later on, the connection is not there, and a man reading that statement would take it for granted—

Mr. MCKAY: During the examination of a great many witnesses in the last few days we just duplicated the ground already covered.

Mr. SALES: Our newspaper men hear a statement made by the witness and there is no refutation of it at all, at the time, and the value of that later on is absolutely lost, Mr. Chairman.

Mr. CALDWELL: In support of that, I would like to cite a report that appeared in the papers about the Ford man that was here. It is in the report what they paid in sales taxes and wages and so on, but it did not give the amount they paid in dividends, and the way the capitalization of the company has gone up from $60,000 into millions, and things like that.

Mr. MUNRO: That was the newspapers' fault.

Mr. SALES: I would like to draw attention to something like that yesterday, where Mr. Bowman said 75 per cent of the troubles of the farmers was personal. In the Citizen this morning that appeared, but later on Mr. Bowman admitted that that was too high, and he was quite ready to compromise on a 50-50 basis.

Mr. HAMMELL: You cannot dictate what these newspaper men are going to write.

Mr. SALES: But if that statement had been checked at the time it was made, then that impression would not go abroad.

Mr. CALDWELL: I am not blaming the newspaper men, because they come in here and hear a portion of the evidence and go out, and when the corrections are made they may not be here.

Mr. MUNRO: I submit it is up to the newspapers. I think we have all had this happen to us, we have made a definite statement on the platform, and some newspaper that is not friendly to us does not give it the way we say it, sometimes they do not give it at all.

Mr. SALES: Supposing somebody takes the evidence of Mr. Bowman yesterday, and they come to that remark he made, there is no connection with his withdrawal of the statement later on.

Mr. MCKAY: You may ask questions at the end of the statement.

The WITNESS: My statement is very short, it is merely to bring to your attention some inaccurate and misleading information that has been given to you, and we would just like to put our side of the case forward. I do not think my statement will occasion very much discussion at all.

At the sitting of this Committee last Wednesday certain statements in reference to the shoe manufacturing industry were made by Mr. Deachman which were inaccurate or misleading and which misrepresented the situation. We are here to place before you the facts with regard to this industry. We have nothing to hide and invite the most searching examination. We have brought records with us and are prepared to give all the information which you may care to have.

To start off with, I want to give you a line-up on the situation as it is in the shoe industry. The shoe industry in Canada has always been and is at the present time under intense domestic competition, internal competition, amongst the different manufacturers. The latest statistics we have from the Dominion Bureau of Statistics show that there are 173 factories in this country, which amounts to practically 19 factories per million population in the country. That, you can see, is a great number of factories, and in itself means very, very close competition. The selling prices at which these factories have to sell in order to compete with one another are naturally based on the exact cost of production plus a reasonable profit, when you can get it, without any reference whatsoever to the tariff, or without taking into consideration any outside influences. In the shoe industry there are no combines of any kind, there is no getting together to discuss prices or to discuss things that would inflate the values. This cannot be done, naturally, where there are so many manufacturers making so many different grades of an article. Another point that may strike you is that in the shoe manufacturing industry there are no millionaires. Probably it is the only industry you can pick out in which you will not find a millionaire. As a matter of fact, in these 173 companies that are in existence to-day, there are not more than two or three which are really worth more than half a million dollars when you get right down to it. To show further the state that this competition has got the industry into, all you need to do is to look at the failures or the firms which have discontinued business or have reorganized in the past. Take since the war, since the Armistice, there have been 52 factories affected in this way, either failed, discontinued business, or reorganized, and compromised, and that means that one out of every three factories since the Armistice has been in financial difficulties due entirely to this close competi-

tion. In the past 40 years the industry has had a complete turnover. In that time, 175 factories have been affected in that way, against the 173 factories in business to-day.

The company which I represent has probably as favourable a record as any company in Canada, yet our profits over the last 11 years, taking into consideration the big inflated years, where we did make extra profits, being averaged on our output, is 18 cents a pair. Now, gentlemen, that is not, you will admit, a big profit when you figure the money that is invested in the plant, the number of hands and the supervision it requires to make a pair of shoes. If you take out of these 11 years the year 1920, which was a year that we will never see again, I do not think, in the shoe industry, our average profit would be reduced to $14\frac{1}{2}$ cents a pair.

By the Chairman:

Q. What did it average on your invested capital?—A. On our invested capital—I have not a figure like that with me to-day, but the biggest dividends we have ever paid have been 10 per cent, at any time.

Out of this 18 cents a pair, we have to provide for all our bad debts, we have to pay our business profit taxes and our income taxes, and we have to pay a return to our shareholders for the money invested in the business, and we have to provide a surplus reserve for contingencies that may arise, or to put back and extend our plant for future requirements. At the present time, the competition is so keen that we are selling shoes at as low a profit as five cents a pair. The shoe that this gentleman had in his hand a few minutes ago is sold at a profit of five cents a pair.

Q. What is it sold at?—A. Our price for that shoe to-day, at the factory, is $3.10, and I would like to sell a lot to that gentleman who was willing to pay $4.25 for them.

By Mr. Caldwell:

Q. What does that shoe retail for?—A. I am not a retailer, sir, and that is a different part of the business. We are manufacturers.

By the Chairman:

Q. You must see your shoes in the shop windows and see them marked.—A. The average retailer has to mark his shoes up all the way from 20 per cent to $33\frac{1}{3}$ per cent. I imagine that is about the average that they are marked up where there is a difference in the volume of business.

By Mr. Caldwell:

Q. What does the wholesaler mark his up to?—A. Of course I am not a wholesaler, but most of them take 20 per cent or 25 per cent, depending on the volume of business they do, I should imagine; I am not an expert on that.

By the Chairman:

Q. Who handles this shoe in Ottawa?—A. In Ottawa?

Q. Yes.—A. That is the A. W. Ault Shoe Company.

Q. Will you telephone at the adjournment and see what they are selling for?—A. Yes.

Mr. SALES: Can we not do that, we will attend to that.

The CHAIRMAN: Very well, then.

Mr. GARDINER: I would suggest that we get the number of that shoe so that we can get the exact price.

By Mr. Caldwell:

Q. What is the description of that shoe?—A. I do not know the number, each manufacturer has his own number. We have no number for the shoe, each number is made specially for each customer, we have no number for them at all.

By the Chairman:

Q. What is this number, 45591 S 10351?—A. Those are case lot numbers.

Shoe filed as EXHIBIT No. 109.

By Mr. Gardiner:

Q. Is that a brand peculiar to that particular shoe, or is that on all shoes? A. That is a brand of Ault shoes. All the shoes are branded like that. You can see that the profits that are made by the shoe manufacturers are considerably less than the amount taken by the Government in sales taxes alone. Another item, the shoe manufacturers have been criticized unfairly on the ground that shoe prices have been excessive in relation to the prices received by the farmers for hides. We have with us Mr. J. Daoust, who is a tanner as well as shoe manufacturer, and he is prepared to follow the hide from the time it leaves the back of the animal until it is finished into a shoe and sold by the manufacturer. He will be glad to go right through with that for you, and show you exactly how a shoe of this kind is laid down at the approximate price that I told you.

By the Chairman:

Q. Perhaps he will carry it right on to the foot of the consumer.—A. Of course, that is outside of our line of business. You understand, we are manufacturers. We have no control over the price at which our goods are sold. We manufacture them to sell them, to keep busy and sell some more. Any information we get as to the price to the consumer is more or less hearsay.

Q. And you do not keep any watchful eye upon the prices at which your product is retailed to the consumer?—A. No.

By Mr. Sales:

Q. Do you sell to the retailer?—A. To the large retailers.

Q. Do you sell to the Merchants Consolidated?—A. No, sir.

Q. Have they tried to buy from your company?—A. Yes, some years ago.

Q. What was your idea in refusing to do business with them?—A. I have forgotten. I do not know. They never came into my factory that I know of.

Q. They wrote you?—A. They may have written us.

Q. Would you furnish this committee with a copy of the correspondence? —A. It is six or seven years ago, and we do not, as a rule, keep our correspondence more than five years, at the outside.

Q. Were you manager at the time?—A. Yes, I was, but, as I say, I do not remember anything. We never did any business with them. Why we did not, I do not know.

The CHAIRMAN: Let the witness finish his statement, and then we will come back this afternoon and we will have a heart to heart talk.

By Mr. Milne:

Q. Would you be prepared to sell to-day to the Merchants' Consolidated? —A. I am not sure. I do not know anything about their financial condition.

Q. Provided their financial condition was secure?—A. We have no objection to selling to any one who will pay for their shoes.

By Mr. Hammell:

Q. In what quantities?—A. They must be in case lots.

Q. Would you sell one case of shoes to a small firm?—A. No. Our business mostly through the wholesale trade. That is one of the reasons that we sell our stuff at such a very, very close margin, in order that the wholesaler can get out and sell these shoes to the retailer and distributor.

Q. What would be the size of the smallest order you would take?—A. We never take less than a case lot.

By Mr. Milne:

Q. What is that?—A. Thirty pairs of one line. Now, after Mr. Daoust goes over with you the tracing up, as I say, from the hide to the shoes, Mr. Weaver, who is here, who is the manager of our boot and shoe association, and has a lot of statistics, will be glad to answer any questions that you care to ask him, and he will be able to give you all that information. This is the principal part of what I have to say in starting the thing for the shoe manufacturer.

The CHAIRMAN: We will adjourn the matter until 4 o'clock, and then we will have a number of questions to ask.

The meeting was adjourned until 4 p.m.

Afternoon Session

4 p.m.

The Special Committee appointed to enquire into Agricultural conditions throughout Canada resumed at 4 p.m., Mr. McMaster, the Chairman, presiding.

JOHN ELLIS WARRINGTON recalled and examined.

By Mr. Sales:

Q. Do you supply goods here?—A. Yes, we have done so.

Q. Can you name any of your customers?—A. We sell to Masson here. We do not sell very many. We do not have many accounts in each place.

By the Chairman:

Q. Do you sell to Stephens?—A. We may do so. I do not know when we got an order from Stephens. I know we have sold to him in the past. I do not know whether we have sold to him within the past year.

Q. You have some system of cost accounting in your factory?—A. Yes.

Q. You have before you Exhibit No. 109, being a tan high shoe or boot, which you say you sell to jobbers?—A. Yes sir.

Q. At $3.10 per pair?—A. Yes sir, $3.10 per pair.

Q. Do you sell the same shoe directly to the retail trade?—A. No. The retail trade very seldom buy that grade of shoe. That is our No. 3 shoe.

Q. A third quality shoe?—A. A third quality shoe.

Q. Would you tell us first of all the price of the leather that is in this shoe, the cost to you of the leather in the shoe?—A. You mean the total cost of all the leather in that shoe?

Q. Yes, the total cost of all the leather in this shoe?—A. No, sir, I cannot. I have not got those figures with me. I have not an itemized cost of that boot.

Q. You came up here for the purpose of refuting allegations which you said were unfair to your Company?—A. Yes. As it happens along that line, Mr. Daoust has an itemized cost of that shoe, which figures out exactly the same as mine, within one cent.

Q. What is it you mean, in your own cost?—A. No. We have a special man who does the cost business. Mr. Daoust has the itemized cost of that shoe, which figures out exactly the same as ours, within one cent.

Q. We would like to find out what you know about the workings of your own factory. You cannot tell us what this shoe costs?—A. I can tell you the total cost of it.

Q. What is the total cost of it?—A. I can tell you the total cost of it. I have it here. I have the total cost of the upper, including the linings, the trimmings and all that, 78 cents.

Q. 78 cents for the material?—A. The upper part of it.

Q. What does the upper include, everything except the sole?—A. From the sole up.

Q. Does it include the insole?—A. No, sir, that is without any findings. The upper does not include the hooks, laces and thread, just the materials that are in the upper.

Q. Give us the sum total of the cost of the production of this shoe, from whatever material you have with you.—A. You have the cost of the upper, which includes all the matrials from the sole up, at 78 cents.

Q. Suppose you try to answer the question as I put it, and we will get along a little faster. Can you tell me the total cost of everything that is in this shoe? —A. Yes.

Q. What is the total cost?—A. Including the overhead?

Q. What is the total cost without the overhead?—A. $2.85.

Q. Your overhead cost is how much?—A. Twenty cents.

Q. That makes $3.05.—A. $3.05.

Q. You are selling it for how much?—A. We are selling that boot at $3.10 to-day.

Q. So that you are only making five cents a pair?—A. Only five cents a pair on that shoe.

Q. Now let us go into how the $3.05 is made up. Give me what particulars you have making up the $3.05?—A. I have the cost of the upper.

Q. How much is that?—A. 78 cents.

Q. What does that upper consist of?—A. The leather, linings and trimmings.

Q. What are the trimmings?—A. That piece of facing that runs around the inside of the shoe, along by the eyelets.

Q. Linings, fastenings, anything else?—A. No, that covers it all.

Q. That covers the cost of what you call the upper?—A. The upper.

Q. How is the balance made up?—A. The sole stock.

Q. What is that?—A. The out-sole. 78 cents also.

Q. That is 78 cents too?—A. Yes, sir. That is the out-sole, the in-sole, the heel, the counter, the box toe and the shank.

Q. All that costs 78 cents?—A. And the welt.

Q. What is the welt?—A. That is what the sole is sewed to the upper with.

Q. That is all 78 cents?—A. 78 cents.

Q. What is the next item?—A. The findings.

Q. What does that amount to?—A. 30 cents.

Q. What is the next?—A. The next is the labour costs.

Q. What are the labour costs?—A. Labour costs including royalties direct and indirect 99 cents. It is bulked here.

Q. Cannot you give me the total?—A. What is actually paid to the men who do the actual work, and what is paid in royalties, the royalty on a welt shoe is about 6½ or 7 cents.

Q. Call it 7 cents royalty; what is the labour?—A. That would be 92 cents, the total labour.

Q. Are there no other items?—A. That is all. That makes up the factory cost, $2.85, then there is 20 cents overhead.

Q. The factory cost is $2.85?—A. Yes.

Q. Then you put in 20 cents for overhead. How is that overhead made up?—A. Seven per cent on the cost of materials and labour.

Q. Seven per cent on $2.85 is 19.95, or just about 20 cents; is that an arbitrary figure, or what do you estimate as falling in that 7 per cent, how is that 7 per cent made up?—A. All our expenses in connection with it, of every kind.

Q. Office management?—A. Everything. All factory expenses, all manufacturing expenses, all light, heat and power, all our office expenses, office and administration salaries, insurance, taxes, everything.

Q. That is covered amply by the 20 cents?—A. If the volume is big enough it covers it, but if our volume is not big enough we lose money.

By Mr. Sales:

Q. Does that include the salary of your President?—A. The salary of our President, all salaries.

Q. And your Vice-President?—A. All salaries are included in that.

By the Chairman:

Q. You say that this is a No. 3 shoe?—A. Yes.

Q. In what respect does it differ from your No. 2 shoe?—A. The No. 2 shoe is made up of a little better leather, a grade higher in both the upper and the sole.

Q. What is the difference between your No. 2 and your No. 1?—A. The same difference.

Q. Can you tell us what you paid for the leather that went into this shoe?—A. That shoe is figured for use at 22 cents a foot.

Q. Is that per square foot?—A. Per square foot.

Q. That is for your No. 3 shoe?—A. Yes.

Q. Your No. 2 shoe, what would be the price of the leather that goes into it?—A. 25 cents.

Q. And your No. 1 shoe, what would be the price of the leather that goes into that?—A. 28 cents.

Q. Can you tell me how many feet of leather would go into a pair of shoes like this?—A. Approximately three feet. Sometimes it is slightly under that, it is according to the cutting qualities.

Q. What is that?—A. It is according to the cutting qualities. It may run 84 to 90 feet for thirty pairs.

Q. You expect to keep a little under?—A. A little under three feet.

Q. Will the findings be the same for your Nos. 1, 2 and 3?—A. Yes.

Q. And will your facings be the same for your Nos. 1, 2 and 3?—A. No, they are of a little better quality.

Q. What difference would it make on a pair?—A. Very little difference.

Q. Two or three cents?—A. Not one cent.

Q. Would your royalty be the same?—A. The royalty would be the same.

Q. Would your labour costs be the same?—A. Just the same thing.

Q. What difference would there be in the price?—A. The difference in the price of the upper stock and the sole stock.

Q. That is the difference in price to you. What is the difference in the price when you come to sell them?—A. Well, the total cost of the No. 2 shoe is $3.19, and we sell it for $3.40.

Q. That is a gross profit of how much?—A. A gross profit of 21 cents, an estimated gross profit.

Q. Now your No. 1 shoe, Mr. Warrington?—A. The total cost?

Q. The price at which you sell your No. 1 shoe, and then the cost of it?—A. We sell No. 1's at $3.65, and the cost of them is $3.40.

Q. You get just the same profit on the No. 1 as on the No. 2?—A. A little bit more—25 cents.

Q. It does not look as if it was very profitable to manufacture the No. 3 shoe if you can make the No. 1 and the No. 2?—A. We have to do it, to meet the demand for cheap shoes.

Q. The whole difference in price between your No. 1 and your No. 3, to you, is only 55 cents. You sell your No. 3 for $3.10 and your No. 1 for $3.65?—A. Yes.

Q. Do you sell many boots in the United States?—A. No.

Q. That market is open to you now?—A. Yes, it has been for ten years.

Q. It has been since 1913?—A. Yes.

Q. Have you made any attempts to sell in the United States?—A. Yes.

Q. With what success?—A. We had a little success at the time of the war, when they were wanting English brogues, when they came out and were quite a fad for a while, we sold a few for a while then, but we only sold one order, as a rule.

Q. I hope that was the fault of the taste of the consumer, and not the fault of the quality of the goods at all?—A. I do not know exactly what the cause of it was, but we did not seem to be able to get any success. They bought them to try them out, I think, more than anything else.

By Mr. Elliott:

Q. Are the American shoes as high quality as the Canadian shoes, generally speaking?—A. It depends upon what you call high quality; they are just as good, I think.

Q. Just as good?—A. Yes.

Q. One grade with another?—A. Oh, yes.

By the Chairman:

Q. Now, what duty is payable on leather to this country, do you know?—A. I think it is 17½ per cent; I am not sure.

By Mr. Sales:

Q. What kind of leather is it that goes into that, what kind of hide is it?—A. That is a Canadian hide in that shoe.

Q. A Canadian hide?—A. Yes.

Q. Is it cow hide?—A. Yes, cow hide.

By Mr. Hammell:

Q. How many splits do they make in leather of that quality?—A. I am not in the leather business.

By Mr. Gardiner:

Q. Do you import any leathers at all?—A. Very occasionally, kid leather, kids and fancy leathers of that kind.

By Mr. Sales:

Q. Do you make a higher grade shoe than your No. 1, 2, and 3?—A. We make a higher priced shoe than those in calf leathers, but it is just the cost of the different qualities of the materials that go into them. They are the same class of shoe, but if you pay a higher price for the leather, you have to charge a higher price.

By the Chairman:

Q. Mr. Warrington, I will read you these different items, and you might tell me which item your leather falls under. The first is item 604, dongola, cordovan, calf, sheep, lamb, kid, or goat, kangaroo, and all leather dressed, waxed, glazed or further finished than tanned; n.o.p. harness leather and chamois skin; on that item there is a duty of 12½ per cent British preferential, 15 per cent intermediate, and 15 per cent general. Are those the rates that you pay when you import leather?—A. I think that is the one under which it would come.

Q. So that is what it is?—A. Yes.

Q. Then the protection you have on your boots and shoes comes under item 611, boots and shoes, pegged or wire fastened, with unstitched soles, close edged; the duty on that item is 15 per cent British preferential tariff; 22½ per cent intermediate tariff, and 25 per cent general tariff. Does the bulk of your protection come under item 611, or item 611A, not otherwise specified?—A. It must be 611A, because that is not a pegged or wire fastened boot.

Q. The pegged or wire fastened boots and shoes would be of a cheaper sort?—A. Of a cheaper sort.

Q. What could you do if you got your leather cheaper, could you sell your boots cheaper?—A. Oh, yes, if we got our leather cheaper.

Q. Can you tell us whether, in your view, the tariff on leather increased the price you have to pay your raw material which you put into your boots?—A. No, I cannot, sir.

Q. Did you ever try to buy leather outside and import it in here and see how the price compared with the leather bought in this country?—A. We have tried, but we have never been really successful except in kids or fancy leathers; we found it more convenient and cheaper to do business in the Canadian market.

Q. Do you know how the prices compare, that is, the price you will pay for goods outside and bring them in? That is, on leather?—A. No, our superintendent looks after the buying of leather, and he is the one that has the market conditions.

Q. But you are the general manager?—A. Yes, but I do not go into all these details myself.

Q. But it seems to me that is a sort of general underlying fundamental part of your business, to know whether it would be cheaper to buy the goods outside and bring them in and pay duty, or buy them from a Canadian producer, but you are not prepared to testify on that point?—A. We have always bought from the Canadian producer except here and there where we have bought a little outside, but nothing to speak of, practically all our output is made with Canadian leather.

By Mr. Sales:

Q. There must be some other kinds of shoes than these. Is this what they call a box calf?—A. No, I would not call it a box calf.

Q. What do you call this?—A. I do not know what the stores represent it as, we sell it as a side leather shoe.

By the Chairman:

Q. What does that mean?—A. A coloured side leather shoe. That is the side of a cow, cow side.

By Mr. Sales:

Q. What does the retailer mean when he says it is a box calf?—A. A box calf would be calf skin, but boxed; that means, boarded, sort of a corrugated effect.

Q. What do they mean when they call it a dongola kid?—A. Dongola kid, that is made of a kid skin, something imported into this country altogether; there is none of it in this country.

Q. You import that from where?—A. Mostly from the United States, that is the finished skin, although the United States imports them in the raw state.

Q. From where?—A. All the eastern countries like China, India, Turkey and down in South America.

Q. What about your patent leathers?—A. Patent leathers—they are bought here.

Q. Made here?—A. Yes, made here and bought here.

Q. What is the most expensive shoe you make?—A. We can build them anything at all; I could not tell you what is the most expensive.

Q. You have a list there?—A. I have only some of our lines. We build a shoe to order, and it depends on what the buyer wants.

Q. Give me the best shoe that you turn out, and tell me how much it costs, and what you sell it at.—A. The best shoe I have on this list here is No. 1 coloured calf, that is a light shoe.

Q. Is that what you sell the most of?—A. Sell the most of?

Q. Yes.—A. No, the biggest volume of shoes sold to-day are of the cheaper quality.

Q. Cheaper than this?—A. No, sir, that is the cheapest we have, except in the black, like that, at five cents less.

Q. Then you go up a step?—A. It gradually goes up a step.

Q. Can you not tell me the highest price?—A. Not the very highest price, because I have not those figures in my head.

Q. These shoes we see so many of in the windows at $8 and $10—.—A. We have a coloured calf shoe, a No. 1, that we sell as high as $4.35.

Q. Do you think that should be $10 when you get it from the shop?—A. I am not expert enough to know the cost of retailing, to say whether it should or should not.

Q. Is it likely to be?—A. To be how much?

Q. $8 or $10?—A. I should imagine it ought to be $8, I should imagine it would sell around that.

Q. You would think that would be about right, when you sell it for $4.35? —A. Yes.

Q. The shoe you sell at $3.65 would be $8 in the store?—A. I should think $8 would be a pretty big price for it.

Q. But I see so many of them at $8 and $9 and $10.—A. I do not think any of our shoes sell at more than $8 in the stores, any that we make. I do not think so.

Q. Then there is somebody making a higher class of shoe than you?—A. Most certainly.

Q. What firms would they be?—A. There are many of them in Canada making higher priced shoes.

By the Chairman:

Q. Can Canadian shoe manufacturers produce as cheaply as the American shoe manufacturers?—A. No, I do not think they can.

Q. Why?—A. That is a long question there, and I was leaving that for Mr. Weaver to answer. He has a long statement written on that very question for you.

Q. But I want to have your views on it. These machines that you pay royalty on, these are the latest machines, are they?—A. In some cases.

Q. There is no reason why a Canadian shoe manufacturer should not get the very best machinery?—A. No, but sometimes we cannot get the latest ones for some little while.

Q. But take it as a rule, you will be able to get just as good machinery as they have in the United States? This shoe machinery, as I recollect—you will correct me if I am wrong—it is not sold outright by the manufacturers, but it is let out on a royalty basis.—A. A good deal of it.

Q. And when you say royalty, when you gave us a figure of seven cents as the royalty paid in connection with this pair of shoes, that is the royalty you pay to the owner of these machines, let out on that basis?—A. Yes.

Q. You are able to get just as good machinery as they have in the United States?—A. Not as up-to-date, sometimes.

Q. Is it not rather incumbent upon our manufacturers to keep themselves up-to-date?—A. We try to, but we cannot get it from the company.

Q. Not always?—A. Not always.

Q. How long will you be after your American competitors before you get these machines?—A. I am not quite familiar with that, but I understand it has something to do with the patent; I am not quite clear as to exactly what the patent law is, but that is the excuse, that if they bring the machine here they have to make it in order to protect their patents, and therefore they do not like to bring it here until they have equipped their factories, and therefore we are sometimes two and three years behind.

Q. But after the two or three years have elapsed you are on an equality with the American manufacturer as far as the machinery is concerned?—A. Yes, sir.

Q. Your man labour, your workmen in Quebec City, they will be French Canadians?—A. Yes.

Q. And French Canadian labour is very much used in the shoe factories of the New England States, is it not?—A. I believe there are quite a few down there.

Q. You have the same machinery, you have the same sort of labour. Do you have to pay higher wages to these men in Canada than in the United States?—A. I am not familiar enough with the American labour prices, the only prices we have on that—I did see some figures from the last Bureau of Census, taken in the United States I think it was for the year 1919, the last one that came out, and comparing the earnings of the shoeworkers there with the earnings of the shoeworkers in Canada, according to our own Bureau of Statistics in the year 1920, the earnings per man then were $1,000 in the United States, or very close to that, and $1,070 in Canada which is about 7 per cent more. I think that is about right.

Q. Do you think that that is a true reflection of the difference between the wages earned by operators in the shoe factories of the United States and those of Canada—A. It is hard to say, I am only quoting those figures, they are the only figures I have, and we have to draw an inference from these to get it as a general thing.

Q. As a general thing, the operators in the American factories, do they earn less or more or about the same as the operators in our Canadian factories?—A. On that average they earn very close to the same, one was 7 per cent higher than the other.

Q. Would it be unfair for us to make this one of our bases for comparison, that the wages paid to the labourer will be about the same in Canada and the United States?—A. A little bit in favour of the American manufacturer.

Q. You say the American manufacturer gets his workmen a little cheaper than in Canada?—A. According to these figures which are the only ones I know of.

Q. You have been in this business how long?—A. About ten years.

Q. And you have lived in the Province of Quebec all your life?—A. Yes.

Q. And you know our population in Quebec Province, how a lot of them have gone to the New England States. It is not likely that they would go there if wages were considerably higher at home?—A. There have not been any shoemakers that I know of, who have left Quebec, around my district.

Q. We have labour on about a parity, we have machinery on about a parity—.—A. Machinery—of course, our cost of machinery is more here, so much of it is imported from the United States, on which duty and other things have to be taken into consideration.

Q. What duty do you have to pay?—A. The duty on machinery is, I think, 27½ per cent.

Q. And you import quite a substantial amount of your machinery?—A. Yes, there is a lot of machinery that comes from there, either through the agents here—and then the duty is paid and included in the price—they are nearly all manufactured there at one time or other.

Q. That, of course, increases your operation costs, does it not?—A. Yes.

Q. But your material, can you tell whether the American shoe manufacturer has to pay more or less for his leather than you?—A. Has to pay more?

Q. Does he pay more or less, or the same, for his leather than you do?—A. I imagine he would pay less. In the first place, all our leather bears, you might say, a double sales tax on it; you start off with a tax on raw hides, and then there is a tax on the finished leather, which is not taken into consideration in the United States at all. Then again, all the chemicals and dyes that go into the making of leather are less in the United States than here, because they are imported here.

Q. Because you have to pay customs duty on them?—A. Yes, on all the material, tanning material, dyes and all that kind of thing.

Q. Suppose you could get all your raw materials duty free, is there any reason why you could not compete with the United States?—A. Their tremendous output allows them to sell stuff on a far less percentage of overhead than we do here. If we had the big output, our percentage of overhead would go down.

Q. If you were on an equality with your American competitors, as far as cheapness in raw material is concerned, the American market being open to you, there is no reason why you should not increase your output to the same extent as they could increase theirs?—A. We have not got the population. We have too many factories. Our percentage of factories in this country is about 19 per million, while in the United States it is only, if I remember right, 13 per million. In other words, we have 30 to 40 per cent more factories per million in this country than they have in the United States.

By the Chairman:

Q. Does that mean that our factories are smaller?—A. They have some tremendous large factories there. The largest factory makes 135,000 pairs of shoes a day, whereas the largest factory, I think, in this country, from all records that I have, makes 3,700 pairs a day.

Q. Now, you spoke a moment ago about the sales tax. That enters into the cost of production quite substantially?—A. Yes.

Q. And when you resell, you have got to get the profit on the sales tax as well as on the goods themselves?—A. Naturally, the cost is whatever we buy them at—the invoice price.

Q. So, before the sales tax reaches the ultimate consumer, it amounts to quite a lot?—A. Oh, yes.

By Mr. Sales:

Q. Would you work that out for us?—A. Of course, all the manufactured things that go into the shoe will bear the sales tax. Then, if they are imported from the States, the agents here have paid a sales tax previous to that at the Customs. In the case of raw materials, like hides, hides will bear a sales tax. For instance, the little dealer going around the country, when he sells the hides at Calgary, there would be a sales tax, and when they are sold again at Winnipeg, there would be a sales tax, and then when they are sold again to the tanner in Montreal, or wherever it is, there should be another sales tax there.

Q. And to the shoe manufacturer?—A. And then the leather at the shoe manufacturer bears another sales tax.

Q. Then from the manufacturer to the wholesaler?—A. There is another sales tax.

Q. Then from the wholesaler to the retailer?—A. There is another sales tax. It is pyramiding itself.

Q. And everybody passing it on?—A. Yes.

Q. Until it reaches the ultimate consumer?—A. The consumer has to pay it all.

Q. Can you give us any idea about how much that would amount to on a pair of boots? It would be interesting?—A. It would be pretty hard, it goes into such infinitesimal figures, and small things, that it is pretty hard to figure it out.

Q. So that if we had a direct tax, instead of going through all these various channels, the Government would receive its money, and I would pay a good deal less?—A. Yes, if you paid an equal amount, but otherwise, the Government is making a lot of money that way.

By the Chairman:

Q. But the Government does not make money on the pyramiding?—A. No, not on the pyramiding, except they get the tax on the pyramiding—on the extra. It is there somewhere.

Q. They get part of it?—A. Yes.

By Mr. Sales:

Q. What is your output, Mr. Warrington?—A. About 2,200 pairs a day.

Q. You have been working full time?—A. Well, we try to.

Q. Well, but have you been fully employed?—A. Well, we are starting to slack off now. We are nearly finished our winter run now.

Q. You do not have twelve months' run?—A. Two hundred and fifty days is the average run in the year.

By the Chairman:

Q. Mr. Warrington, what are the advantages of mass production in the boot and shoe business? How are costs reduced by mass production in the boot and shoe business, if it is an advantage to have mass production?—A. Well, it reduces to tremendous extent your overhead all the way through so much per pair, and naturally your depreciation and all these kinds of things. You are getting more out of your machines, your lasts, patterns, and everything you use in the factory. You are getting more units.

Q. Let me ask you this: Suppose a man had a small factory, well equipped capable workmen, which he was able to operate to its full capacity, would his overhead be in greater proportion, necessarily greater, than a factory say of four times the size?—A. I think so, sir.

Q. Just explain how that would be.—A. Well, it is the way it works out. The larger factory, with the bigger output, seems to work them out at a smaller overhead expense.

Q. That is to say, the salary of the general manager is spread over a bigger production?—A. Yes.

Q. Is there any real difference in factory cost, in the production of boots and shoes, once you get it to a size where you can employ to the full extent all the labour-saving devices known to the business?—A. Well, in this country we never yet had experience of big factories. We have them as big as we can make them. My plant can make 3,500 pairs a day, but I have never been able to use it. I have not been able to get the business; then I would have comparative figures; but I know if we dropped to 1,200 pairs a day we would lose money.

Q. Any factory that is equipped for turning out a certain maximum output, that is only turning out half, the cost per unit of production would become high, but the point I want to get from you is,—I am asking merely for information—is there in the manufacture of boots and shoes any great advantage in a very large institution, or, if you have a moderate sized institution, big enough to employ all the labour-saving devices, will your factory costs be necessarily greater than they would be in a still larger factory?—A. I imagine so. Just your purchasing power alone ought to be almost a profit, if you are using enough materials.

Q. The larger man would get some advantage in buying in large quantities? —A. Yes, he can buy in carload quantities, or lots of ways. Your savings alone in purchases would be a big item, to say nothing of the reduced overhead.

Q. Is it your view, sir, that on the whole the Canadian shoe business is divided into such small institutions that they are not able to get the economic advantages that would flow from large organizations of capital?—A. Well, if we take the United States as an example, I say yes. They are getting more and more into large units there, and they are the ones that are making the stuff at probably cheaper prices than anyone to-day down there. They are getting factories which make 100,000 pairs a day. Four factories alone are turning out something like 140,000 pairs of shoes a day. It shows the tremendous amalgamations that are going on down there.

By Mr. Milne:

Q. What is your factory capitalized at?—A. Our issued capital is half a million dollars.

By the Chairman:

Q. That is hardly an answer to the question. What actual amount in dollars and cents have you got in your plant, equipment, and real estate?—A. I do not just remember the figures, but from the balance sheet I think about $400,000.

Q. Your balance sheet would include the good-will?—A. There is no good-will in our balance sheet. You are talking of capital assets, just the land, building and machinery?

Q. Yes.—A. Approximately close to $400,000.

By Mr. Milne:

Q. We had a witness state here a few days ago that the average capital in the United States Shoe factory was $187,000.—A. I read that. I am not prepared to contradict him, but I think, referring to that question, that it is the different way those statistics have been drawn up. Your Dominion Bureau, Statistical Department, asks us really for the gross capital. They do not deduct from that any liabilities; in other words, when they ask you for your total capital employed, for your land, buildings, and machinery, and your book accounts, cash on hand, they do not ask you to deduct any liabilities, whereas in the American way, it means net, after deducting all liabilities. That is the only explanation that I have to make.

By the Chairman:

Q. May I carry this investigation a little further about your own company? You say that you have a capitalization of about $400,000?—A. Yes.

Q. Now, what was your gross output last year?—A. Three hundred and forty-four thousand pairs.

Q. And your average profit per pair was?—A. 28 cents last year.

Q. That was your profit?—A. That is, before writing off for bad debts, and all those kinds of things. It is the manufacturing net profit.

Q. And you do include your overhead before you establish that 28 cents?—A. Yes.

By Mr. Sales:

Q. That makes $96,320?—A. There must be some mistake, we do not make anything like that.

By the Chairman:

Q. We have 344,000 pairs at 28 cents. We get at that figure, of $96,320, as a question of arithmetic. Are your figures astray?—A. I am afraid my figures must be astray. I am afraid there is an error.

Q. Where does the error lie? Did you give yourself too big a profit per pair?—A. I must be.

Q. That is gross profit after overhead is deducted? Take this boot here, the factory cost was $2.85, and he added for overhead, to take care of factory administration, office administration, and travellers, and all that sort of thing—he added 20 cents, which makes $3.05. He said he sold these boots for $3.10, which makes 5 cents profit. He said last year they sold 244,000 pairs, but the average profit was 28 cents. On their No. 1 they sold for $3.65, and it cost them to produce—what figure did you give us?—A. $3.40.

Q. Which would be 25 cents. He may have other lines which gave him a little better, but if his figures are right, 28 cents per pair, that is a profit of $96,320.—A. My figures must be wrong.

By Mr. Sales:

Q. Take 18 cents, and working on the basis which you have averaged for the last eleven years, and taking the same output, 344,000 pairs, and your output, I take it, has been greater in the years in which you worked full time, that gives you $61,920.

By the Chairman:

Q. Eleven years ago, did they have a capital of $400,000? How long has your company had a capital of $400,000?—A. I could not tell you without referring to the books.

By Mr. Sales:

Q. Are you carrying a surplus amount of money to reserve fund, for instance, after paying 10 per cent?—A. All our money has been put back into the business. We have never brought in any capital outside of the business. We have been running for forty years, and naturally, it has been accumulating.

By the Chairman:

Q. When you say that you have never paid 10 per cent—more than 10 per cent—would you mind telling us what the best year you had was, as far as percentage on capital was concerned? What did your profits in your best year represent?—A. Well, I have never figured them up that way. We always figure on the selling price, and the amount of business done, and that averages 4·3 per cent on the sales over the eleven-year period.

Q. Do you remember in an investigation they had of the Davies Company during the war, that Mr. Fox came before some commission or other, and said, "We are only making a small fraction of a cent per pound," and when they went a little further they found that they had made a very, very handsome percentage on the capital invested. You see, Mr. Warrington, you gentlemen are here to justify a tax that the Canadian people pay on their shoes, a prime necessity of life, and when you come before us to justify that tax, it seems to me you should be able to tell us anything reasonable that we want to know?—A. I am quite prepared, if I have the information, to give it to you. I cannot give you what I have not got. I had no idea you were going into the financial end of the business, and I did not bring any figures for that at all.

By Mr. Sales:

Q. Has your capital stock been increased while you have been general manager?—A. Oh, yes, we keep on increasing it. As any of us have money to put into it, we buy stock with the money.

Q. Do you take the reserve and increase your capital to that extent?—A. Some years ago we did that, and once we distributed it in the form of dividends to our shareholders.

By the Chairman:

Q. Stock dividends?—A. Dividends paid to shareholders. They took it in stock instead of cash. We leave our money there to increase the plant, to build a new building and to make the thing grow in as cheap and as good a way as we can.

By Mr. Sales:

Q. 344,000 pairs of shoes at an average rate for the last eleven years would give you over $61,000, which is 15 per cent upon your capitalization of $400,000?—A. Our capitalization is much more than that. That was merely what we had invested in machinery. Besides that we had our stock, cash and book debts. Our total capital and surplus would be closer to $700,000 I would say.

Q. But you stated that you had never paid more than ten; that does not give the whole picture, does it?—A. No, because we have let it go to reserves.

Q. It has been built up in the last forty years from almost nothing?—A. I presume so.

Q. I had a conversation with your President last year. Like myself he is an Old Country man?—A. Yes, he came out to this country.

Q. He came out here and started with practically nothing, and has built up this institution. So that the statement that ten per cent is all that has been paid does not convey altogether a correct impression?

By the Chairman:

Q. Mr. Warrington, will you describe to us your means of distributing your product; how does your product as a rule get to the consumer?—A. It gets to the consumer through the wholesale houses, from the wholesale houses to the retailers and consumers. Then it gets through some of the larger retailers direct to the consumer.

Q. Do you keep travellers on the road?—A. Yes, to look after some of the larger retailers.

Q. You sell to the wholesalers without travellers?—A. We sell to the wholesalers without travellers.

Q. Do you sell at the same price to the large retailers as to the wholesalers?—A. No, sir.

Q. You have to charge a little more?—A. We have, in order to pay the expenses of sending travellers out on the road, commissions, and so forth.

The CHAIRMAN: Any more questions?

Mr. SALES: I don't think so.

The CHAIRMAN: Mr. Warrington, we are very much obliged to you for coming here.

JOSEPH DAOUST called, sworn and examined.

By the Chairman:

Q. Mr. Daoust, what is your full name?—A. Joseph Daoust.

Q. You come from the City of Montreal?—A. Near the City of Montreal.

Q. What is your business?—A. I am a tanner and shoe manufacturer.

Q. You have come before us to give us some facts and figures in connection with the business you pursue?—A. Yes, sir.

Q. You might give us whatever statement you care to make.—A. As I see that the Committee has been impressed with that shoe Mr. Warrington has brought in, I may say that the upper leather was made by myself out of cowhide. The price of that leather is 22 cents.

Q. Per square foot?—A. Yes, sir, per square foot. That was exactly my cost.

Q. What did you say?—A. The cost. I sold him the leather at cost. The reason for that was that it was some time in January or February.

Q. Of this year?—A. Of this year. I sold him I think about 5,000 sides of leather. We had practically no orders at that time. It was a question of closing down the tannery or selling at cost, I thought it was preferable to sell at cost in order to keep our help together and help pay part of the overhead.

Q. May I interject a question here? Will you tell us just how this cost of 22 cents was made up?—A. Yes. This leather was taken out of a lot of hides that we call heavy hides, heavy cowhides of 50 pounds and up, for which I paid 12 cents per pound. Those were country hides.

Q. What does the term country hides mean?—A. Farmers' hides, or country butchers'.

Q. The animals were not killed in the abattoir?—A. No, sir. The abattoir hides are called packers' hides.

By Mr. Gardiner:

Q. Green hides?—A. Green hides.

By Mr. Milne:

Q. I was looking over some books, and I saw where I sold some hides within the last year at three cents a pound.—A. I will explain that to you if you wish. These hides cost me 12 cents a pound. They cost me ten cents a foot for making them.

By the Chairman:

Q. Tell us just what that cost was, Mr. Daoust?—A. It cost 4 cents a foot for tanning materials, 4 cents for labour, and 2 cents for overhead. Overhead includes power, the water we use in the tannery—we have to buy water from the City of Montreal; it includes also the foremen, the superintendents, municipal taxes and interest. That is about all that is comprised in overhead.

Q. Would that overhead include your salary as head of the concern?—A. No, sir; that is taken out of the profits if there are any.

Q. Mr. Milne suggests that when he came to sell some hides a little while ago he only got three cents a pound for them.—A. There are eight selections in beef hides. Can you tell me what kind of hides they were?

By Mr. Milne:

Q. No, I cannot tell you anything about that. One was a steer hide, and the other was about three years old. The two weighed about 111 pounds.—A. Where did they come from?

Q. They came from Winnipeg, Manitoba.—A. How long is it since you were offered the three cents?

Q. I think those hides were sold in March a year ago.—A. That is different. There was no demand for leather a year ago in March. Take the hides to make this leather at 12 cents. Suppose you got them at say 50 miles from Calgary, at Banff, and those hides were bought from the local butcher, not salted or frozen; they are taken out by a Jewish peddler generally. To bring those hides down here at twelve cents, he cannot pay more than 6 cents a pound at Banff, and I will show you the figures. It costs for salting half a cent per pound, that is, for salting and receiving the hide in the cellar. Then there is the freight from Banff to Calgary, say a quarter of a cent per pound.

By the Chairman:

Q. Does the bulk of the hides you use in your establishment come from so far away as Calgary?—A. No, that is just to give you an example, because there has been some criticism from the Northwest that they are getting nothing for their hides, and referring to the high price of shoes. The peddler, as we commonly call him, has to make a profit of one cent per pound in order to make a living. Then there is the shrinkage on a fresh hide or a frozen hide to the cured hide, which is 15 per cent. If you will take that on the basis of 6 cents, you will come very close to one cent per pound. This hide is taken by the Calgary dealer, who has to make one cent per pound when he ships it to Montreal or Toronto, and he has to assume the freight at two cents per pound. So it comes to about 12 cents laid down at Toronto or Montreal.

To answer this gentleman here, this is what we call the native hide. For the sake of the Committee, I will explain what a brand is. They use in Calgary or in Alberta the letters J.S. for John Smith. They burn that on with a hot iron, they burn the skin with letters maybe six inches or a foot long. I have seen them a foot long. Then another owner puts another brand on. That means a

big loss to the tanner and to the shoe manufacturer. These hides are worth generally from two to two and a half cents less than the native unbranded hides. If we start at 6 cents, and if you take off two cents a pound for the brand, you will get 4 cents, if it is 2½, it will be so much less.

By Mr. Stansell:

Q. When hides were selling at three cents, would the brand on a hide make a difference of two cents a pound?—A. Sure.

Q. About how many square feet in an ordinary 50-pound hide?—A. It is not that. It costs as much to tan a branded hide. When you come to sell to the shoe manufacturer to make soles, he has to have at least 7 or 8 cents a pound less.

Q. But about how many square feet are there in an ordinary 50-pound hide? —A. In upper leather take off 15 per cent from the 50-pound hide, about 44 feet of hide, 42 feet I mean to say. 42 feet to a hide is 21 feet to a side.

Q. Would the brand take off more than one square foot?—A. Yes. There is the waste in cutting them.

Q. Would it take off more than two square feet?—A. It all depends. I have seen six brands on a hide, three on each side.

By the Chairman:

Q. Would that be an ordinary case?—A. No, it would not, but you can safely say three on an average.

By Mr. Gardiner:

Q. Did you say three on the average?—A. Yes. I know what I am talking about. There would be three on the average, two initials, J.S. for John Smith, there would be those two brands. Sometimes they put a big cross, and sometimes it is on the best part of the leather, the butt, on the hip, the best part of the leather, sometimes on the side, and sometimes on the shoulder.

By Mr. Stansell:

Q. Do you think it would be three feet?—A. You are asking about the upper leather. We cannot use your hides for upper leather, we only use them for sole leather.

By the Chairman:

Q. He asks you whether it would be fair to allow a deduction of three square feet?—A. It is sold by the foot or by the pound.

By Mr. Stansell:

Q. The brand destroys a certain number of square feet of the hide?—A. Yes.

Q. How many feet are in the ordinary hide, and how much is destroyed, taking your figures and estimating three, which I would think is high enough? —A. I would say three feet on the average. There may be more than that on some, some five feet.

By the Chairman:

Q. Maybe some less?—A. Yes, but three feet would be fair.

By Mr. Stansell:

Q. A hide that was sound would have 42 feet?—A. Yes.

Q. One that was branded would have 39 feet?—A. Yes.

Q. Would the difference in price of two and a half cents a pound be a fair proportion of the difference between 39 and 42?—A. Yes.

Q. By what manner of figuring do you arrive at that?—A. It makes a difference of 2½ or 3 feet in the finished leather.

By the Chairman:

Q. I did not catch that.—A. Supposing I say that I have to pay 12 cents for my hides, or suppose I pay 13 cents, I have to raise my price a cent and a half a foot. If I pay 14, there is another cent and a half. For every cent a pound there is on the hide, I have to get a cent and a half more, because I do not get a foot of leather to a pound of hide.

By Mr. Hammell:

Q. How many feet of leather will those hides make?—A. 85 feet to 100 pounds, in the light leathers. If it is heavy leather I may only get 80, because the light leather will stretch.

By Mr. Milne:

Q. Before you get too far away from my hides, do I gather from your figures that you get 6 cents a pound?—A. On to-day's market.

By Mr. Sales:

Q. What was it at that time?—A. I was paying 9 cents for those hides at that time, for that same quality of hides, what we call heavy hides.

By Mr. Milne:

Q. Why could you not use those hides for uppers?—A. The hides from the West come from heavy cattle, heavy cows and steers, and for making fine shoes you cannot use them. We have to make a leather which is an imitation of calf, and to get an imitation of calf you have to go down, because the grain of the calf is fine, and the older or bigger the animal is the coarser the grain will be.

By Mr. Sales:

Q. How do you explain this, that in the Old Country the harder the hide the more per pound they pay for it?—A. It all depends; if you want to sell steer hides for making a harness leather or belting leather, you can get the price for the packer hides, 18 cents.

Q. For a heavy steer hide?—A. The reason for that is, to make harness or belting, the leather must not have any cuts or scores.

Q. I understand that.—A. It must be perfect. The country butcher or the country farmer is not particular enough in preparing the hides.

Q. Some of them?—A. I can safely say 95 per cent of them. In the abattoirs, the man who makes a cut or score on a hide is penalized, so as to get nearly perfect hides.

Q. But there is none of the discrimination in our western country, nobody bothers whether they cut or score, it is just so much a pound anyway?—A. Yes.

By Mr. Milne:

Q. They are all sold at a cut price?—A. Yes, because the tanner knows what he is buying and pays according to the value of the hide he gets.

Q. Would you say 75 per cent of the country hides were damaged?—A. My experience is 95 per cent. It needs a little education on the part of the farmers so that that percentage will be reduced.

Q. Then you might just as well cut them or not, there is no difference?—A. Yes, there is a difference; if you can put it in good condition you will get a better price; the difference between the packer's condition and the country condition is between 2 and 2½ cents a pound. If you put your hides in a packer's condition, I would pay you 6 cents a pound, plus 1 cent for salting and 1 cent for curing, which would be 8 cents, and 2 cents more for the good condition of the hide, which would be 10 cents, and I would pay the freight.

By the Chairman:

Q. Just let us get back to our boots for a minute. You say you sold these to Messrs. Ritchie & Company for 22 cents per square foot, and you say it just cost you that?—A. Yes.

Q. And you gave us an estimate of 10 cents a foot for making and 12 cents a pound for country hides?—A. Yes, sir.

Q. Does a foot just weigh about a pound? Was it 10 cents a foot or 10 cents a pound for making?—A. 10 cents a foot.

Q. And 12 cents a pound for country hides, or 12 cents a foot?—A. 12 cents a pound.

Q. Does a pound just make a foot?—A. No, the difference is 15 per cent less, which we have to deduct for splits that we are taking off from the hide, which takes care of the shrinkage. If I get 100 pounds of hide, I will only receive 85 feet, with the shrinkage of 15 per cent.

Q. In your view, as a shoe manufacturer, because you know both trades, how many feet go into a boot like this?—A. It all depends on the pattern; some of them are what they call an economical pattern, that is a low cut upper, a little lower in the upper.

Q. We were dealing with this shoe here?—A. It takes 166 feet for a 60-pair lot.

Q. 166 feet for a 60-pair lot. That gives you how much a pair?—A. About $2\frac{3}{4}$ feet.

Q. $2\frac{3}{4}$ feet?—A. Yes, 2.74.

Q. $2\frac{3}{4}$ feet at 22 cents would be a little over 60 cents for the leather that goes in here?—A. Yes; now, you have to add for the lining, 15 yards at 29 cents.

Q. We have the leather at 60 cents, that provides for the leather, does it not?—A. Not all the leather, you have the facings.

Q. What do these cost per pair of boots?—A. That is 27 feet at 12 cents; that is, by 60 pair lots.

Q. 27 feet for a 60 pair lot?—A. Yes.

By Mr. Hammell:

Q. At 12 cents a foot?—A. Yes, it is about five cents and a fraction.

By the Chairman:

Q. $5\frac{1}{3}$ cents?—A. Yes.

Q. Call it 6 cents?—A. Yes.

Q. Now, what else?—A. Have you the linings?

Q. No, you have not given us those, what did you say those were?—A. 15 yards at 29 cents. You must remember my figures are all in 60 pair lots.

Q. It comes to 6 cents a pair?—A. If you want me to simplify the thing I can reduce that. The linings would cost $7\frac{1}{2}$ cents a pair. Now, the sock linings cost a cent. That is about all. That is for the upper, outside of the box toe.

By Mr. McKay:

Q. Anything for the laces?—A. That is a different matter.

By the Chairman:

Q. Just follow along, and we will find out what your calculations are?—A. I have all the details, if you want them.

Q. Give them to us, please?—A. What else do you want to know? The sole leather, that is the leather in the sole here costs 25 cents a pair. The insole, inside the shoe, costs 15 cents a pair. The heel, that is a part of the heel, costs $6\frac{1}{2}$ cents a pair, and my figures are for a half-rubber heel, 9 cents a

pair. The welting—do you know what a welt is? It is just around here, holding the upper to the sole.

Q. What does that amount to?—A. 11½ cents a pair. The counter, 2½ cents a pair, the box toe, 4 cents a pair. That makes around 73½ cents a pair.

By Hon. Mr. Sinclair:

Q. How much were your facings a pair?—A. About 6 cents.

By the Chairman:

Q. The whole thing is what?—A. 73½ cents.

Q. Are these your figures, from your factory?—A. My figures, yes.

Q. This is your factory cost?—A. Yes.

Q. So they cost $3.08 per pair, and what were the figures given by Mr. Warrington?—A. $3.05. One of his costs was greater than mine, by four cents a foot.

The CHAIRMAN: I think we might very profitably produce this cost sheet, and call it Exhibit No. 110. (Not printed)

The WITNESS: I will continue. The labour costs 79 cents. Then, all the rest of the shoe, the shoe findings, including thread, hooks and eyes, nails, stains, for the finishing of the shoe, the laces, the cartons, the packing cases, all together that makes 36½ cents a pair. The royalty is 7 cents a pair.

By the Chairman:

Q. Who is that paid to?—A. To the United Shoe Machinery Company.

Q. They will not sell their machinery, will they?—A. No, they will not. My overhead is 8 per cent, which means 23 cents.

Q. What do you include in your overhead?—A. The foreman, the superintendent, the power, the fuel, the insurance, and part of the rent. That is all.

Q. No executive salary?—A. No executive officers on that, that is my factory cost, not a selling cost. The factory cost, the initial factory cost is $2.85, and 23 cents for overhead makes it $3.08.

Q. Now, what are you able to sell that for?—A. I sell this line at $3.70 net.

Q. You are a better salesman, apparently, than Mr. Warrington.—A. I do not know about that, I guess he makes more money than I do. You have to deduct out of that the travellers; some of them cost me 6 per cent, and others cost me 15 and 20 per cent. You can see where I come out.

Q. Where do you sell your shoes, all to wholesalers?—A. To the retailers, from coast to coast.

Q. That costs money?—A. That costs money.

By Mr. Sales:

Q. So the retailer buys this shoe at $3.70?—A. Yes, and he pays on that 4½ per cent sales tax, which I have to charge him as a manufacturer selling to a retailer, 4½ per cent, and that means 17 cents has to be added.

Q. You have had to pay a sales tax on the hides?—A. Yes, a 2¼ per cent.

Q. But you are your own tanner?—A. Yes, for part of my leather, for part of the leather I am using. I do not make all the leathers I use.

Q. And the shoe that you sell for $3.70 to the retailer is a shoe which you say is practically identical with this Exhibit 109?—A. Yes, as near as I can make out.

Q. What do you call it, No. 3?—A. Yes, No. 3.

Q. What do you sell your No. 1 and No. 2 for?—A. It costs me $3.29.

Q. The No. 2?—A. Yes. Our No. 1—I will have to explain that. My No. 1 is a calf or kid shoe which is made solid right through with a solid counter. We call a No. 2 made out of the cow hide, which is a better selection right through. It takes 10 feet of leather more to the case in the cutting.

Q. How many are in a case?—A. 60 pair. It is all 60 pair lots.

Q. When you say the counter is all solid, when it is not solid what is in it?—A. They call them fibre counters, a kind of pulp which is a very good counter and gives pretty good wear, but it is not leather.

Q. It may appear like leather but it is really not?—A. It looks like leather.

Q. It is made out of wood pulp?—A. Yes, sir.

Q. Very much the same material as a newspaper?—A. Very much stronger, though, it is pretty stiff.

By the Chairman:

Q. Where is the counter, in the heel?—A. No. You see the stiffener here? (indicates.)

Q. Yes.—A. That is the counter.

Q. The counter is the stiffener over the heel?—A. Yes.

Mr. MUNRO: Mr. Chairman, does that $2.70 include—?

The WITNESS: I said $3.70.

By Mr. Munro:

Q. Does that include the sales tax?—A. No, it costs $3.87 when he gets it and the freight besides.

Q. Then he has to pay the sales tax?—A. Of 4½ per cent.

Q. That would bring it up to?—A. $3.87.

By Hon. Mr. Sinclair:

Q. That is what it would cost the retailer?—A. Yes.

By the Chairman:

Q. Plus freight?—A. Plus freight; it all depends, if it goes as we said to Calgary, it might cost him 15 cents a pair.

Q. Do you make any attempt to indicate what prices the retailers must sell your goods at?—A. No, we do not. It is illegal now.

Q. The law has not been passed yet. Do you find the cost of distribution pretty heavy in this country?—A. I do not see how it could be reduced.

Q. You sell to any retailer?—A. Provided he is good.

Q. Of course, provided he will pay for his goods; do you sell to these large mail order houses like Eaton?—A. Yes.

Q. And do they get your goods at the same prices as you sell to the ordinary retailer?—A. That is my secret. I do not want to give that to the press.

By Mr. McKay:

Q. You sell in large volumes?

By Mr. Sales:

Q. From that I take it that you have to compete with the other man who sells to Eaton. What about importing hides from the United States?—A. I do not know of any hides imported, except from Chicago, not for shoes, more especially. They are imported mostly for harness and belting, but calf skins are imported from New York. It is an odd thing that the calf skins from New York—what we call New York City skins—are better than our Canadian calf skins.

By the Chairman:

Q. Why is that?—A. They do not kill the calves so young as they do here.

Q. What difference, if any, is there between the price of leather in the United States, and the price of leather in Canada?—A. It all depends on the

demand. I have a report here, which was issued last Saturday, on this very leather exhibit which I figured in my shoes, in my sheet here, and is what we call " light hides," 50 tan, which cost me from 2 to 2½ cents a pound more than those heavy hides, which give you a better imitation of calf. I see here on this sheet the quotation for our coloured side leather is from 26 to 30 cents, and my figures for that No. 3 grade is 26 cents, and my No. 2 grade is 28 cents, so I am pretty near right.

By Mr. Sales:

Q. Do you sell leather to the harness trade?—A. I used to make some during the war, but to-day there is an over-production. There are too many tanners making harness leather on account of the automobiles. They do not use so many horses to-day They use the Ford cars.

By Mr. Hammell:

Q. Do they use leather in automobiles?—A. No. Most of the cheap grades use imitation leather. It is a cotton fabric with varnish on top of that, which gives an imitation of grain. It is pretty hard to tell the difference.

By the Chairman:

Q. Let us ask you this question: These machines which you have to lease from the United States, are Canadian manufacturers paying more to the owners than the United States manufacturers have to do?—A. I have no way of finding that out. I have to take their word for it.

Q. And what do they say?—A. They say it is equivalent.

Q. The same?—A. Yes.

Q. Now, what about wages to operatives in shoe factories in Canada and the United States? How do they compare?—A. I have not been in the States to inquire about that, to see how much the men are making—whether they are making more money or not, but I understand that the cost per unit is a little cheaper in the States, on account of the big volume they make, and I also understand that the machines are more up to date and a little faster than ours.

Q. As far as the salary is concerned, will there be much difference?—A. If you take the salaries by the week of the shoe operators—there are no shoe makers to-day—they are simply mechanics—they can make better wages in the States when they work full time, and still the manufacture per unit may cost them a little less per pair.

Q. Because he may be running his factory at greater speed?—A. Yes, that is right.

Q. Is there anything that prevents our manufacturers from running their factories just as efficiently as they do in the States?—A. Yes. I should say that in this country there are probably too many shoe factories. It is divided up so much that each factory is not getting enough work to work full capacity for the population.

Q. Well, now, what would be the effect of a reduction of tariff on boots and shoes?—A. It would kill about 75 per cent of the shoe manufacturers—put them out of business.

Q. And the fittest would survive?—A. Well, they will be shaky.

By Mr. Sales:

Q. If we have too many of them, why not kill them off?—A. What are we going to do about the labour? You must not forget that if you close down the shoe factories, you have to close a few tanneries also, because they depend on the shoe factories for running their plants.

By the Chairman:

Q. But leather goes over into the United States free?—A. Yes, but you cannot compete with the American tanners.

Q. Why not?—A. For the same reason, they have the big output. They can turn out a larger quantity than we can, and make fewer lines than we are making. Take in my shoe factory, I make mostly all the lines that a shoe manufacturer can make.

Q. Is that really economically wise to have our factories trying to make so many different lines?—A. Well, unless a shoe maunfacturer caters to the wholesale trade, he cannot specialize, because you cannot put a traveller on the road selling only women's shoes, going round the country. It would cost 20 to 25 per cent to get orders.

By Mr. Sales:

Q. I find that we exported to the United States in 1919, leather, 2,603,000 pounds?—A. Yes.

Q. And in 1920, 3,979,000 pounds?—A. Yes.

Q. And in 1921, it came down. It practically ceased.—A. Yes.

Q. So that we do export leather to the States?—A. Sole leather.

Q. There is the other kind; there is harness leather?—A. Yes.

Q. There is upper leather, 1920, 4,529,964 pounds.—A. For upper leather—pounds or feet?

Q. Pounds.—A. Upper leather is not generally sold by the pound.

Q. That is the way it describes it. I am reading from the Year Book.—A. There is a reason for that. I have to-day a certain amount of leather made up, and there should be a demand for it in this country. I might be very glad to get rid of it in the States at a cheaper price than we can get in this country.

By the Chairman:

Q. We have noticed that phenomenon quite often.—A. Yes, that is what is generally done in the export trade. You make yourself your own competitor to put it out of the country.

Q. Let me ask you this: Is there any reason why our tanners, as the United States market is open to them—is there any reason why they should be manufacturing on a smaller scale than in the United States?—A. I believe, with the leather tanners, that their capacity is too large for the consumption. I believe the capacity is double the consumption of this country. In past years they had the English market, where they exported quite a lot of sole leather. To-day they have not.

Q. Who supplies the English market now?—A. Themselves—the English tanners.

Q. Now, is not one of the largest tanneries in America in Kitchener?—A. The largest, oh, no,—one of the largest.

Q. One of the largest?—A. Yes, it is pretty large.

Q. That is the Lang Tanning Company?—A. Yes.

Q. They will produce on a scale approaching the large factories in the States?—A. Yes, but they used to only make harness leather for years, but they switched to sole leather, because they had not the demand for harness leather to keep their plant working, so, when the sole leather tanners were too many, that is, their production or their output of sole leather, was too much for Canada, Mr. Lang stepped in and increased the output, with no more consumption, which meant that it reduced the output of others, or the sales of others, and the result was that some tanners had to close down some of their plants.

Q. Is that not the history of all industries, that the less efficient have to give way to the more efficient? Is that not true of all industry?—A. I would not agree with that, Mr. Chairman, when you call it efficient. I call efficient the man who makes money. A man can do a big business and go to the wall. I do not call that efficiency.

By Mr. Hammell:

Q. You do considerable tanning. What material do you use in the tanning process—hemlock, bark, or chemicals?—A. I would not say chemicals.

Q. I have reference to that plant which is grown in Arizona. Do you import some of that?—A. The extracts are made out of bark or wood. For instance, we use hemlock, but used ground, and put in liquid in solid form. I also use quebacho, which comes from South America, which comes from a tree there, and is reduced into solid form to save the freight and transportation. Then when it gets to my tannery, I reduce it with boiling water into a liquid to be used into the leather. Besides, there is the chrome tannage. The chrome tannage is a mineral. There is a bark from it of soda, or potash. That is chrome. The commercial name is Chrome. That is reduced into powder, and I use this powder with water, which makes it a liquid to get into the leather easier, and tan the leather, so in the tanning game there are practically two tannages—mineral tannage and vegetable tannage.

Q. This material that comes from South America, and I believe also from Arizona—that comes into Canada duty free?—A. Yes, except that we have to pay 3¾ per cent sales tax.

By Mr. Sales:

Q. Which do you consider the longest lived leather, the chrome, or mineral, or vegetable tannage?—A. To-day, all fine shoes are made of chrome leather. You cannot wear them out. I mean to say upper leather. If you were going to buy for your children, chrome sole leather, it will last quite a while, but the trouble with the chrome sole leather is that it is slippery. If you were walking on a wet sidewalk, people in Ontario might think that you were drunk. It is very slippery.

Q. But it is long-lived?—A. Yes.

Q. When we buy a chrome halter, that is the best we can buy?—A. Yes, sir, it is.

Q. Better than the raw hide?—A. I would not say. Raw hide is pretty good tannage too, you know, but a chrome is just as good.

By Mr. Munro:

Q. We have heard that the old process of tanning was much better than the modern, but it took a longer period to tan. Is there anything in that?—A. I would not like to say. I do not like to knock down the other fellows, you know. If this was not to be repeated, I might tell you my views, but it would not be fair for me to say anything of that kind.

By Mr. Milne:

Q. The witness made a remark that automobiles were displacing horses, consequently, there was not the demand for harness leather?—A. I said that.

Q. There is another thing. As I go through the country to-day, I see cow hides cut up in strips for rope traces, chain traces, and rope lines, so that the real reason why your harness leather is not in demand to-day is that the farmer has not got the purchasing power?—A. Yes. You must not forget in the West you have a lot of tractors, too, replacing the horses. Outside of that, many farmers have their own cars.

By Mr. Stansell:

Q. I was going to ask the process of tanning that you use. Is it a rapid process?—A. A rapid process.

Q. How long after you got the cleaned hide will you have the leather fit to sell?—A. We can turn out the leather finished in four weeks.

By Mr. Milne:

Q. Regarding these cow hides, at the present time there is nothing to give me an incentive to buy a good hide. I might just as well get a slash, because I know that I am going to get a good price. There is a big bunch of hides; practically all our local hides are killed by the local people. If we can get 3 cents a pound, I think it is too much to throw away.—A. If you want to sell a tanner, you have to accumulate a carload, and make the different selections that the tanner is willing to buy. For instance, a sole leather tanner has no use for hides under 50 pounds. The harness leather tanner has no use for calf hides. He uses steer hides. Then, they have no use for bull hides either. Unless you have as big an output as a packer, to make the selections, and you wait until you have a carload of each selection, you cannot sell the hides at a price that the packer can get for his hides.

By Mr. Sales:

Q. What about dry hides?—A. They are used mostly for sole leather.

Q. So the thing to do is to put them on the fence and let them dry?—A. There are some too dry. There are some dried in the sun, which is very dangerous. They have got to know how to dry them in the sun, because they might be sunburnt. Then there is the dry salted, which is dried in the shade, under a roof, with open air, the air to circulate, which is less dangerous.

Q. I am thinking of it from the farmer's point of view, which is the best way. They can stretch them there and dry them in the shade, and you can see whether there are cuts. When they are rolled you cannot see the cuts.—A. I would not recommend it for the West, because you could not do anything. The dry hides are put in a dry condition in a very warm climate. In South America, and South Africa, but in none of the countries of the north, as England or France, or Denmark, or Sweden—Norway. They never dry the hides.

Q. I have seen dry hides in the West, not very often.—A. I would not recommend them.

The CHAIRMAN: We will excuse Mr. Daoust, and thank him very much for his information.

By Mr. Sales:

Q. What is your brand of shoes called?—A. "Dalaco". That means the first syllable of the name "Daoust", the first syllable of the name "Lalonde" —La, and "co." company.

LLOYD MACPHERSON AULT was called and sworn.

By the Chairman:

Q. What is your full name?—A. Lloyd Macpherson Ault.

Q. Where do you reside?—A. Ottawa.

Q. What is the company or business with which you are connected?—A. The Ault Shoe Company, Limited.

Q. I understand, Mr. Ault, that you handle Exhibit No. 109, this shoe that I have in my hand?—A. We do.

Q. Would you mind telling us what you paid the manufacturer for it?—A. No, sir.

Q. What do you pay? (The witness in reply to this question produces the original invoice showing that the shoe Exhibit No. 109 was purchased by his company for $3.10 per pair, and he had to pay a sales tax of 2¼ per cent.)

Q. You are in the wholesale line, I understand?—A. Yes.

Q. Will you produce the copy as Exhibit No. 111?—A. Yes.

EXHIBIT No. 111, not printed

Q. Now, you resold those at what price?—A. $3.90 a pair.

Q. And when you calculate your profit, do you take into consideration your profit on the sales tax, as well as your profit on the invoice?—A. You mean, do we take a profit on the sales tax?

Q. Yes?—A. No.

Q. Well now, the whole of these goods included in the consignment of boots that we have before us, the whole consignment cost you $296.01?—A. Yes.

Q. When you re-sold that, didn't you establish your profit on the whole $296.01?—A. No. I took that cost of $3.10, adding the sales tax which is kept separate for the time being, and I did not add $3.10. I did not say 2¼ cents is so much, and add my profit on to the answer that I got. I add my profit on $3.10, and my sales tax on $3.10 is so much. In other words, I do not pyramid the sales tax charge.

Q. You must add a little more to the invoice price to take care of the sales tax that you pay?—A. I do not quite follow just what you want.

Q. Supposing you are sitting down in the counting house, and you are estimating what you are going to re-sell the case that you bought at the rate of $3.10, you have to pay a little more than $3.10?—A. That is figured as a separate item in my overhead.

Q. Well, you say you do not figure what you paid by way of sales tax as a basis for computation of profit?—A. I did not understand your question. That shoe cost me $3.10 at the factory. I have to pay a tax of 2¼ per cent, which increases the cost of the shoe. I have to pay freight on it to land it in my warehouse.

Q. And all these things come into consideration when you estimate the price at which you can re-sell?—A. Yes.

Q. That pyramids the sales tax?—A. Yes, it does.

Q. Now, you have got your selling invoice? You told us you re-sold that?—A. $3.90.

By Mr. Sales:

Q. What percentage of profit is that?—A. It figures 1 cent more than 25 per cent gross.

By the Chairman:

Q. Do you know what the retailer gets for this shoe? What is it sold for?—A. $4.95.

Q. And that is a profit of what for the retailer—a gross profit?—A. I do not know. I did not figure, I will figure it. It is under 30 per cent.

Q. Do you handle the No. 1 shoe from the same maker?—A. We handle the No. 1 shoe.

Q. Made by the same firm?—A. Yes.

Q. What do you pay for your No. 1?—A. I am not familiar with the cost of those shoes. I can get the information for you and give it to you to-morrow, if you require it.

Q. We have had the factory cost of the No. 1 shoe. We have had the price at which the No. 1 was sold to the wholesaler. We would be interested in knowing what you paid for the No. 1 and No. 2 of this same brand, the Bedford shoe. You might work it out, and if you know what it retailed for, we would be glad to have that information. You might drop a line to the Secretary, and tell us what you paid for No. 1.

The CHAIRMAN: The Committee will stand adjourned until 8.30 p.m.

The Committee adjourned until 8.30 p.m.

Evening Session

(The Committee resumed at 8 p.m., Mr. McMaster, the Chairman presiding.)

The CHAIRMAN: Gentlemen, if you will come to order, we will hear from the gentleman who is the Secretary of the Shoe Manufacturers' Association.

SAMUEL ROY WEAVER, called, sworn, and examined:

By the Chairman:

Q. What is your full name, Mr. Weaver?—A. Samuel Roy Weaver.

Q. Where do you live?—A. Montreal.

Q. In what business are you?—A. I am Manager of the Shoe Manufacturers' Association of Canada.

Q. What are the objects of that Association?—A. The objects of the Association are, to serve as a trade organization, to improve conditions in the industry as far as it is possible, to work for maximum efficiency, to carry on various services in the interests of the members of the Association, such as a credit information service, to obtain informaton about such matters as style, style tendencies, to keep in touch with matters of that kind, and generally to serve as a trade organization for the betterment and advancement of the shoe industry.

Q. What is the organization of that Association, who compose it?—A. Such of the shoe manufacturers throughout Canada as are willing to come into membership in the Association and comply with the constitution and by-laws.

Q. What is the annual fee?—A. The annual fee is based upon sales made during the previous calendar year.

Q. What do you charge per member?—A. It runs anywhere from a minimum fee of $20 to a maximum of $375.

Q. Which would be on a certain percentage of the turnover?—A. At a certain rate per thousand dollars of sales during the year.

Q. Do you have any agreement as to prices?—A. Absolutely none. I have been connected with the Association for several years, and have never heard anything about uniform prices or price fixing at any of the meetings of the members of the Association.

By Mr. Sales:

Q. How many members have you?—A. The membership at the present time is approximately 120 firms.

By the Chairman:

Q. Are they all in the manufacturing business?—A. Yes, sir.

Q. How many hands will the largest and the smallest employ, roughly speaking?—A. An establishment is not classed as a factory officially unless it employs 5 hands or more. I cannot tell you the maximum number. We do not get reports on that. Probably I have the figures here for 1920, taken from the Official Report of the Bureau of Statistics, which is the latest report of that kind.

Q. That is the Dominion Bureau?—A. Yes. It does not show the maximum number of employees in any one firm.

Q. You have come here for the purpose of giving the Committee some of the views of the manufacturers. You might proceed and give us what you desire to say.—A. In the first place, I would like to put in an explanation or a statement which Mr. Warrington asked me to make before he left, in connection with his evidence given this afternoon. You will remember that he stated that the profit on a pair of shoes made and sold by the John Ritchie Company last year averaged 28 cents. The result of multiplying that amount per pair was given as something like $96,000, if I remember correctly. Mr. Warrington told me afterwards that he must have made some mistake. The reason he hesitated was that he remembered paying income tax very recently on just $53,000 net profit, and only $53,000. The difference between the $96,000 which was figured out by this Committee this afternoon and the $53,000 which was the correct figure, was made up of bad debts, which were very heavy last year, and depreciation.

Q. Depreciation at what ratio?—A. Certain regulations are issued by the Income Tax Department in that connection. I am not certain of the details, but I know that the matter is very closely regulated, and a company is not allowed to hide profits behind depreciation.

Q. After taking off an allowance which was made for last year, for bad debts, and allowing for depreciation, they made $53,000 on a capitalization of $400,000?—A. No, sir. The actual investment was approximately $700,000. Mr. Warrington himself made that correction during his evidence this afternoon, I think. The first figure mentioned was $400,000, but he had left out reserves I believe.

By Mr. Sales:

Q. I think he said the capital was $500,000?—A. That was the nominal capital. That $700,000 as I understand it includes the reserves actually built up. If a company foregoes profits, foregoes the distribution of dividends, if the shareholders decide that instead of taking the earnings for one year out of the business, that that proportion will go back into the business, it is just as much an investment as new money.

By Mr. Caldwell:

Q. Was there any year in that period when they did not pay a dividend?—A. I am not familiar with the details of the business. Mr. Warrington had to leave on that train, as he had an appointment in Quebec to-morrow morning, and he asked me to make this correction.

Mr. SALES: He said they had paid not more than ten per cent in eleven years.

The CHAIRMAN: What they had done was to put back the profits into the business.

WITNESS: During the forty years they have been operating.

By the Chairman:

Q. Go on, Mr. Weaver.—A. That $53,000 on an investment of $700,000 works out at about 7.5 per cent, and that is the best showing of any shoe manufacturing firm I know of in Canada. This company which Mr. Warrington represents is one of the two most successful companies in Canada. There have been very few firms that have made even bank interest during the past few years upon their investment.

Q. What do you mean by a few years?—A. Certainly since the depression of two or three years ago in the shoe manufacturing industry there has hardly been a time when the average profits would run to even bank interest. There has always been a large number of failures, as evidenced by the number of 175 casualties during the last 35 or 40 years, and the casualty list since 1918 has numbered 52 firms. I have the detailed list with me.

By Mr. Sales:

Q. There is only one observation I would like to make, that is, that this is rather misleading, because Mr. Ritchie's salary as President of the Company is included in all that expenditure. I do not want to be inquisitive enough to ask what his salary is, but I have no doubt it stands at a pretty nice figure, and all that sort of thing is paid out of the profits. It is admitted here that there are too many shoe factories for the business in Canada. What is it that is attracting people to put money into the shoe business if it is such an unfortunate business and there is the number of casualties you have described now?—A. Well, it has been very very easy for a man to start in the shoe manufacturing business with practically no capital. A man who has worked in a shoe factory for a little while, who has had some training in the industry, who has saved perhaps a few thousand dollars, has been able to rent machinery or get machinery on the royalty plan, with but a very small investment, practically no real investment, and starts up as a shoe manufacturer.

By the Chairman:

Q. Let me interject a question here. Did you say 179 factories?—A. The official figure for 1920 was 173. That number has been reduced somewhat since.

Q. Of those 173, how many would be factories of the sort you have just described?—A. I could not tell you definitely how many of those started up in that way. A very large number, a very considerable proportion of the factories are very small concerns. That is shown by the fact—I don't know whether it was mentioned this afternoon or not—that there are probably not more than 25 shoe factories in Canada with an actual capital as large as $250,000, and not more than six with a capital of $500,000 or more.

By Mr. Sales:

Q. Is there no tendency towards merging, in the boot and shoe trade?—A. Not in this country. There has been a very pronounced development in the United States.

Q. What about the Ames-Holden-McCready Company failure?—A. That was the only large firm in Canada.

By the Chairman:

Q. That was about as bad a casualty as any?—A. Yes.

By Mr. Sales:

Q. Their stock was considerably watered when the merger took place?—A. As I understand it, the Ames-Holden-McCready Company never paid one cent of dividend on their so-called watered stock, so that so far as that goes

the public had no interest in the so-called water, because it was not reflected in any way in the price.

Q. But the fact was that they had considerably increased their capital?

The CHAIRMAN: I don't know how many people lost money on the stock exchange dealing in the stock of Ames-Holden-McCready Company. I think that was one of the reasons, if not the chief reason for the unfortunate fate which overtook the Merchants Bank of Canada. So that I think the watering of the stock was not one of the harmless things some people would lead the public to believe.

WITNESS: I was referring to the question of price. The watered stock had no effect upon the price of shoes in Canada.

By the Chairman:

Q. How many members have you in your association?—A. Approximately 120 or 125.

By Mr. Sales:

Q. What is the number of factories?—A. The number of factories, according to the last report in 1920 was 173. The number now has been somewhat reduced by the number of casualties, the 52 I have mentioned. A number of those firms, after compromising with creditors or obtaining extensions are continuing to run along. I was just going to say that even in the case of Ames-Holden-McCready, that the firm after making an arrangement with the creditors is still continuing. A large number of the firms still operating are in an exceedingly weak financial condition. I know of a number of factories that are in the hands of the bank, and others which are renewing to a very considerable extent with their creditors.

Q. Tell me this; you say that there are not more than 25 firms with a capitalization of $250,000 and upwards, and not more than about six with a capitalization of $500,000 and upwards—first of all tell me, what is the economical unit for a shoe factory, what size has it got to be before it is an economical unit as a producing organization?—A. If you went over to the Endicott-Johnston Corporation in the United States, which with a number of factories produces 135,000 pairs of shoes per day, they would probably tell you that their factory represents the most efficient industrial organization in the shoe industry that has yet been born. I cannot answer the question as to what an economical unit is.

Q. Is it the factory with less than $250,000 invested, or the factory with more than $250,000 invested?—A. There are some in both classes which have been doing fairly well, and some in both classes which have been doing exceedingly poorly.

Q. I suppose it is a question of management rather than size?—A. Very largely.

Q. Can you tell us what proportion of casualties you have had in the last three years, in companies in which the capitalization is $250,000 and upward? —A. I was just glancing over the list of failures. The majority of the failures appear to have been among the smaller companies, although there are seven or eight good sized companies which are included in this list.

Q. You will correct me if I am wrong, but I am afraid you would have to have a shoe factory of a considerable size before you could get an economical producing unit, and I would take it that we might expect, if the industry had to pass through hard times, that a good many would fail of those which had been formed in the way you stated a while ago, namely, a workman gaining some experience and being enabled to start in the business with next to no

capital invested. I presume that has been the history, has it not?—A. That has been the way a very considerable proportion of them have started.

Q. An extremely able man with a turn for business, starting that way, might possibly develop a splendid business?—A. In a few cases firms of that kind have been successful.

By Mr. Elliott:

Q. Is it not a fact that the smaller industries have been absorbed by the larger industries?—A. Not in the shoe manufacturing business, absolutely not.

By Mr. Sales:

Q. The fact still remains that the man who is a foreman in a factory and should have a pretty good idea of what the product is likely to be finds that there is an attraction to him to start in business for himself?—A. I should, Mr. Chairman, have made a correction. With regard to that figure of 25, instead of saying that there are not more than 25 factories with an actual capital of $250,000, I should have said with an actual capital of more than $100,000.

By the Chairman:

Q. The business is very largely carried on by very small factories, that is, as compared with the factories which we have in modern industrial life?—A. Yes, and these small factories in a great many cases have no knowledge of cost accounting, they have been simply selling their goods on a competitive basis, without knowing what the goods cost them, and they fell by the wayside as soon as the depression overtook them. They have served as a drag on other companies, with the result that the profits have been low as compared with other industries of similar importance.

By Mr. Gardiner:

Q. Have many of these companies started up recently, or are they old-established companies, old-established firms?—A. I do not think there are more than six factories in Canada which have been in existence for more than thirty years.

Q. Has there been any start up in recent years?—A. Quite a number of small factories during the last couple of years. The casualty list has been so heavy that the new firms going out are not as numerous as those starting up, but there are quite a number going in and trying their luck as manufacturers.

Q. In reference to the evidence which was given by Mr. Deachman on Wednesday, there are two or three points I would like to refer to. In the first place, at page 925, Mr. Deachman referred to the United States shoe manufacturing industry as operating under free trade conditions. It is true that there is no tariff at the present time on boots and shoes entering the United States, but I think it should be pointed out that the shoe manufacturing industry in the United States was built up to its tremendous importance and magnitude by high protective duties, which enabled it to get the advantages of quantity production and attain a position of dominating importance as the leading shoe manufacturing country in the world.

By the Chairman:

Q. Now, I would like to ask you if you have these figures for us. Boots and shoes have been put on the free list in the United States by the Underwood Tariff which went into effect on the 3rd of October, 1913, so the United States

boot and shoe industry has been on the free trade basis for almost 10 years. Could you tell us what the production in the United States was in 1913, as compared with what it is to-day?—A. I have not those figures immediately available; the industry in the United States was tremendously developed by war conditions which were practically equivalent to the prohibitive import tariff, and during the war the United States exported a tremendous quantity of boots and shoes. That export business has been very greatly reduced since, by readjustment of the exchange situation, by the fact that the shoe manufacturing industries in other countries have been coming back, and they have been recovering their former positions.

Q. It is however, you will make what observations you might care to, but it is, I think, of interest to point out, Mr. Weaver, that although the protection element certainly was very strong in the United States prior to the passing of the last tariff, the Tariff Act of 1922, boots and shoes made wholly or in part of leather remained on the free list.—A. Yes, although the United States shoe manufacturers have been asking for a return to the schedule of the 1909 Tariff.

Q. What they wanted, I understand, at the same time, was to have leather remain on the free list; and they could not have leather free and boots and shoes protected, as I understand it, and they had to agree to have boots and shoes free as well as leather.—A. I do not know that they agreed to it, Mr. Chairman.

Q. They had to agree to it?—A. I know they did ask for a protective tariff, but despite the magnitude of the industry and the effect of the exchange situation and other factors, a great many British shoes are being sold, and the imports are increasing at the present time, into the United States.

Q. What evidence have you got supporting your statement that the shoe manufacturers of the United States asked for a return to protection?—A. I have here, sir, a copy of the National Shoe Manufacturers Association's report. It is in the form of a despatch from Washington, or a letter from Washington dated December 30th, 1921, at the time the tariff was under consideration. Mr. John S. Kent, who is President of the National Boot and Shoe Manufacturers Association of the United States presented this report, in which he said:

> "With free hides, we believe, the shoe and leather industry in this country would be safe from unreasonable foreign competition with a protective duty of 15 per cent. This would, however, not be protective at the present time, bearing in mind that the foreign rate of exchange would give foreign competitors an extreme advantage. As some time, however, will probably elapse before European manufacturers can adapt themselves to successfully enter the American market, a 15 per cent tariff might serve, with the expectation that more nearly normal rates of exchange will soon prevail."

Q. Was that the Alritch-Payne tariff of 15 per cent?—A. That was the rate of the tariff of 1909, I believe. As far back at 1842, there was a specific tariff on boots and shoes entering the United States of $1.25 a pair. At the price of shoes prevailing at that time, that would represent a very high protective duty. Besides that, the United States has been separated, or has been protected, to a large extent, by her geographical situation, from competition. The fact of being on this continent; the fact of separation by the ocean from the other shoe manufacturing countries; the fact that during the period when the United States shoe industry was being developed, transportation was slow, there was a difference in customs and habits, there was slow communication, and the United States industry, in addition to the protection afforded by the tariff rates, had the protection of her geographical position, which Canada has not at the present time. The shoe manufacturing industry in Canada, on the

other hand, has been built up in the face of competition from the greatest shoe manufacturing country in the world facing it across a country 3,000 miles wide, with factories located close to the border and in a position to throw in shoes at all the principal centres, not only in regular trade, but also to take every advantage of dumping obsolete lines of shoes that are suited to the demands of the Canadian public, so that what development has taken place in the Canadian shoe manufacturing industry has been under tremendous handicaps. Besides that, the retailers in Canada have been slower to adopt new styles than those in the United States. The shoe manufacturers in this country do show styles almost as soon as those in the United States, but the retailers are slower in taking up new styles. A manufacturer was telling me only the other day that it is very often a year after he puts in a new last before he really gets quantity orders on that last. That means that retail buying is from one to two seasons behind in this country, with the result that under conditions of rapid style changes, the style may be just going out in the United States, may be becoming a slow seller there, at a time when it is quite satisfactory for the Canadian market, and these shoes will be offered for export at almost any price. In a case of that kind, the manufacturer in the United States is able to state that he could offer them in the United States at the same price, because over there they are slow-selling lines, and can be offered below the cost of production. They are still suited to Canada, and if it were not for the tariff, that stuff would be dumped into this country in tremendous quantities. The United States shoe manufacturing industry, in approximately two weeks time, could produce all the boots and shoes required for the Canadian market. Their own industry is tremendously over-developed, or rather their capacity is very greatly in excess of their current requirements.

Q. What about the capacity of our shoe manufacturers, as regards current requirements; are we in the same position as the United States?—A. We have a capacity in certain lines which is considerably in excess of the requirements of the Canadian market. During the war, Canadian manufacturers shipped quite a lot of boots abroad. A number of them put up new factories. As a result of the war time development, there was an increase in capacity which does not appear to be warranted, under present conditions at any rate. The per capita consumption of shoes in the United States is considerably larger than that in Canada, and it may be that when the Canadian public come to realize the advantages of having shoes suited to different occasions, paying a little more attention to style in footwear, the appropriateness of footwear, that our demand may increase even in proportion to population as it has in the United States.

Q. Do I understand from that that you say the manufacturers would like us to change our shoes oftener, and have different kind of shoes for different occasions?—A. In the United States, a campaign of better dressing for men has been suggested. It is pointed out that very often a man will wear one pair of shoes, perhaps heavy walking shoes, even to social functions.

Q. Of course, that is a crime that really the legislature should take cognizance of. Go ahead, sir, and excuse my interrupting you.—A. There is a point there, I think, Mr. Chairman; there is a lack of recognition of the shoe as an article of dress as well as a mere article of utility. Other articles of wearing apparel are regarded as articles of dress to a greater extent than the shoe.

Q. How strange it is, Mr. Weaver; we had yesterday a gentleman who was reading us, reading the whole people, a very strong lecture on the evils of extravagance, and who said that happiness would be obtained if we returned to the simple habits and customs of our forefathers, and here you come to-night

and you infer that your industry would be in a better position if we would only spend a little more money on our footwear, and had footwear appropriate for different occasions. That is just an observation by the way. Now, we have interfered with you a good deal.

By Mr. Hammell:

Q. Just on that point, what is the per capita consumption of shoes in Canada and the United States?—A. The production in the United States in 1922—from that would have to be taken the export business, and I am not sure just what that is at the moment.

The CHAIRMAN: Go ahead, sir, we must not interfere with you.

The WITNESS: I have not the figures immediately available of the export shipments from the United States to deduct from their production figures, but their production in 1922 was 310,000,000 pairs.

By the Chairman:

Q. That is about 3 pairs apiece?—A. With a population of approximately 108,000,000. Our production in 1922 was 16,000,000 pairs with a population of almost 9,000,000.

Q. Is not the explanation of that very easy, without making out that we are less stylish than our American cousins? Do not the vast majority of the people in Canada, for four or five months of the year, wear rubbers or overshoes?—A. That explains it to a very considerable extent, sir.

By Mr. Caldwell:

Q. So we are nearly as stylish as the United States, after all. They used less than 3 pairs per head, and we used two.—A. The production in Canada was 16,000,000 pairs for a population of 9,000,000, less than 2 pairs per head.

By Mr. Hammell:

Q. As compared with almost 3 pairs in the United States?—A. Yes.

By Mr. Sales:

Q. What are your export figures from Canada?—A. During the war, sir, they ran up into very nice figures, but at the present time they are almost negligible.

By Mr. Caldwell:

Q. This is the production of shoes in the United States, that you have given us?—A. That 310,000,000, yes.

Q. Yes?—A. That is the production of shoes in United States.

Q. Their exports would come out of that?—A. Yes.

Q. So they do not consume three pairs per capita?—A. No, not quite three pairs, but it would amount to over two and a half.

Q. By taking out the exports?—A. Yes, I would think so. Someone wanted the export figures from Canada.

The CHAIRMAN: Did we not have that before?

Mr. CALDWELL: We had it for 1918, 1919, 1920, and 1921.

The CHAIRMAN: Yes, we had that.

The WITNESS: I have the figures immediately available for the 11 months ending February; they show exports of only 49,942 pairs of shoes from Canada representing a value of $121,827.

By Mr. Caldwell:

Q. That is an increase over 1921?—A. No, sir, the figures for the corresponding period ending in February, 1922, were 266,000 pairs, or more than twice as great as those for the period ending 1923.

Q. For 1921?—A. That was more than 48,000.—A. The total exports of boots and shoes from Canada for the 11 months ending February, 1921, reached 4,121,238 pairs. The figures I was giving you were the total export figures from Canada on boots and shoes.

Q. To all countries?—A. Yes.

Mr. CALDWELL: I see this is only to the United States; pardon me.

The CHAIRMAN: Now, gentlemen, let me make a suggestion; Mr. Weaver has a statement to make and has not had very much chance to get on with it.

Q. You were referring to Mr. Deachman's evidence, and you were going to deal with some of the figures.—A. Yes, I referred to the fact that it was under protection of a very decided character that the shoe industry in the United States was able to reach a position of great importance. Then, on page 928—

Q. Just before that, I will break through my own suggestion. Did not the shoe industry develop greatly in St. Louis, in the United States?—A. St. Louis is one of the big shoe centres.

Q. That would have to be built up in the face of the strongest kind of competition from the New England States, would it not?—A. I am not certain that my information is correct or exact in that particular, but I believe that the industry there got its start due to labour troubles in the New England States.

Q. Labour troubles are more or less of an ephemeral character, are they not? Workmen cannot stay out of a job very long, can they?—A. They had a very long period of trouble in the New England States, and I think that was the start of the St. Louis industry, or rather it was the period when it got a decided impetus.

Q. Apart from that, you would have to admit that the industry in and about St. Louis was built up in the face of the competition of the New England States.—A. Yes, but the manufacturers of St. Louis had available a tremendous home market, consisting of the entire United States, without any danger of that market being cut off at any time by adverse tariff legislation. I will point out in a few moments that Canada's position is different from that of a district or a state of the American union.

Q. Even though you have free entry for your goods into the United States? —A. A situation that may be changed at any time that the Congress at Washington may deem it desirable to change it.

By Mr. Caldwell:

Q. It has been free a long time.—A. Yes, but there is an agitation for a change, now.

Q. But during that time, you had the advantage of the American as well as the Canadian market. That is, you had at your doors 110,000,000 people in the United States, as well as the 8,500,000 in Canada, while the American manufacturer only had the 110,000,000 people, and was cut off from the people in Canada by a tariff. In that way, you had an advantage over the American manufacturer, had you not?—A. I can answer that, I think, in this way. If the manufacturer was considering putting up a factory to serve the United States and also the Canadian market, he would almost certainly put it up in the United States, where he would be absolutely certain of the market of 110,000,000, no matter what happened, rather than put it up in Canada, where he would be only certain of the market of eight or nine million, with a possibility of the market of 110,000,000 being cut off at any time.

Q. That is not answering my question; I asked if you had not had that market in the last 10 years without duty; you have had a chance to export and sell to the people of the United States without paying that duty on your shoes. —A. Nominally, the market has been open,, but no Canadian manufacturer, apparently, has been able to do so. He has not felt warranted in going to the enormous, or very large expense that would be involved, in a campaign to put his shoes on the United States market, knowing that that market might be cut off at any time.

Q. And knowing, if he went in the United States, he would have to sell at a cheaper rate than in Canada, to meet American competition.—A. I doubt, Mr. Chairman, whether under normal conditions—in fact, I think it is certain that under normal conditions, the Canadian manufacturers could not sell in the United States, when they have import duties to pay, or revenue duties to pay on a good many imported materials and supplies, goods not produced in this country, and consequently the duties levied on them are directly revenue duties.

Q. How much material do you pay duty on that goes into your product, what amount of duty do you pay a year?—A. It is difficult, gentlemen, to give the exact figures there. This is a summary of the boot and shoes industry in Canada which was prepared by myself and issued in 1920. We point out here that the sole leather imported—there was some brought in that year, nearly all from the United States subject to a duty of 17½ per cent. There was upper leather, dressed, waxed or glazed, consisting mostly of kid, a very little of which was produced in Canada. The kid industry has practically not started in Canada; I think there is a factory down in Quebec that is making some now, but the finer kind is all imported.

By the Chairman:

Q. May I just follow that for a moment? You would be at a disadvantage in the American market, although it is open to you, because a certain part of your raw material is taxed, you have to pay duty on it coming in. Would that be a substantial part of your cost to-day, Mr. Weaver?—A. It would, in respect of the finer shoes which are required in the United States.

Q. As regards the commoner shoes, it would not have the same importance, would it?—A. Not shoes made from strictly Canadian materials.

Q. You would, however, be at this further disadvantage, that whatever machinery you bought in the United States and introduced into Canada, you would have to pay tariff duties on?—A. Absolutely.

Q. Generally speaking, would you hazard an opinion as to the comparative costs of production in United States and Canada? Which would you think would be the heavier?—A. Costs of production are unquestionably higher in Canada than the United States, but I am not in a position to state by how much; it would be a very difficult matter.

Q. I can understand that, and I accept your statement that the costs of production would be higher in Canada than in the United States. I would like to ask you what elements constitute that higher cost? In other words, what is that higher cost due to?—A. In the first place, to those revenue duties on imported materials and supplies not produced in Canada.

Q. And on machinery?—A. Yes, that has to be brought in from abroad.

Q. And if you bought these supplies, or that machinery, in Canada, from supplies produced in Canada, or machinery produced in Canada, would you not pay nearly the American price plus the duty, for these things?—A. I would not make a statement to that effect, and I do not think it would be a correct statement to say that the Canadian price or the price of commodities which are produced in large quantities in this country, where the industry has been well

developed, that these prices are higher in Canada by the amount of the duty, or by any considerable amount.

Q. Let us take a specific case. Suppose there is certain shoe machinery produced in Canada, similar to machinery produced in the United States. Suppose you, as a shoe manufacturer, were buying that machinery. Would there be any substantial difference in the price, if you bought it in the United States, and brought it in and paid the duty, or bought it from the native manufacturer?—A. If it were a machine which was produced in considerable quantities in Canada—.

Q. I am asking you about shoe machinery—.—A. There are a great many different kinds of machinery.

Q. Go ahead, then.—A. If it is machinery produced in large quantities in Canada, I think these machines would be sold on the basis of the cost of production, without any reference whatever to the tariff.

Q. Now, go on and complete your answer about the machines that are not produced in great quantities.—A. In the case of certain specialized machines, it may very easily be that the costs of production in Canada are higher by almost the full amount of the tariff. My experience with Canadian manufacturers has been that at least in competitive industries, where there is keen domestic competition, they do not base their prices on the tariff, but on the cost of production.

Q. Will you admit that in many lines of production in Canada competition has been eliminated?—A. I am not prepared to admit that. I do not think it applies in the case of many commodities used by the shoe manufacturers.

Q. It applies to certain commodities in Canada, does it not?—A. It may, I have not had much experience in that.

Q. And where it does, do you find the prices just about the American prices, plus the tariff?—A. I am not in a position to answer that, Mr. Chairman. I can say this and it is digressing a little, perhaps, from this particular subject. I was in the employ for some time, of the Canadian Reconstruction Association on investigation work, and in that connection I prepared reports on quite a large number of Canadian industries, and in practically every case, I found that the Canadian manufacturers were playing the game fairly, were basing their prices on the cost of production, and that they were not taking abnormal profits.

Q. Now, we will go back to where we were when I started you off on this side line.

By Mr. Gardiner:

Q. Just one question I would like to ask. Much of the machinery that is used in the shoe manufacturing industry of this country is brought in from the United States, and is paid for on a royalty basis, is it not?—A. The United Shoe Machinery Company of Canada has been making quite a lot of machinery in Canada.

Q. They make it here?—A. Quite a lot of it, not all, not these highly specialized and very expensive machines, but the proportion of the machinery used in the shoe industry, which is made in Canada, has been increasing. I have never bought any factory equipment in my life, and I am not familiar with the details in that connection, but I do know, simply as a matter of general information, that the proportion of the machinery which is available, of Canadian manufacture, is increasing.

Q. The point I want to make is this, that your specialized machinery that is brought in here, and is used by the Canadian manufacturer on a royalty basis, do they have to pay duty on that machinery coming into this country, or is

there any duty levied against it?—A. I believe so. The rate of duty on imported machinery is 35 per cent when imported from the United Sates, or any country to which the general tariff applies.

By Mr. Sales:

Q. Do you buy this machinery any cheaper now than before you paid duty on it? Do you rent them any cheaper?—A. Some of the machines used in the industry can be purchased. There are several manufacturers of shoe machinery in addition to the United Shoe Machinery Company.

Q. Do you buy them any cheaper then?—A. I could not tell you about that, I never bought machinery, I do not know.

By Mr. Milne:

Q. You spoke of your increased cost, because of the duty on the finer qualities of leather. When you import that leather, you get a rebate or drawback? —A. If a Canadian manufacturer brings in raw materials that they use in goods for export if that is kept separate and distinct from the other materials, if it is possible to identify that leather as leather that has been brought in for export business, there is a refund, I think, of 99 per cent of the duty paid.

By Mr. Caldwell:

Q. Will it be kept track of?—A. There have been so little shoes exported that I do not believe any of the Canadian manufacturers have taken advantage of it.

Q. That would remove your handicap with regard to the import duty on your material which you export to the United States. If you get a rebate of 99 per cent on that imported material that practically removes all handicap?—A. That is one of the factors, but you get no drawback on your machinery. We get no drawback on the items that go into your factory, and that enter into your general production costs. You get no rebate on general supplies of such things as findings which you may have bought for both your export and domestic business. This drawback provision nominally would in fact help out if there is any considerable export business, but the drawback provision by no means would remove the entire handicap.

By the Chairman:

Q. We have found that the tariff is one of the constituents which makes your production costs higher in Canada than in the United States. What other elements enter into that higher cost of production?—A. When you say tariff, I think that should be qualified by stating that those are revenue duties on machinery and supplies not available in this country.

Q. Well, call it a revenue tariff, or, we will leave out the objectionable word "tariff" altogether, and we will say that customs imposts increase your cost of production. Now, we have got that disposed of. What is the next element that would increase your cost over those of your American competitors?—A. There are certain taxes levied in Canada which are not levied in the United States.

Q. Such as the sales tax?—A. Such as the sales tax, and while I have not definite figres in this connection, I think the general taxation is considerably higher in Canada than in the United States.

Q. Do you mean municipal taxation?—A. I believe so.

Q. I remember seeing some comparative figures for some large American cities, as compared with Montreal, and that was not the effect of that paper. However, take that for granted.

By Mr. Caldwell:

Q. Do you pay a sales tax on shoes you export to the United States?—A. No, but the sales tax would apply on all purchases of leather and supplies entering into those shoes.

Q. You mean the sales tax on the sale of the goods?—A. The purchaser in the United States would not have to pay a sales tax.

Q. Does the manufacturer have to pay a sales tax on shoes that he exports? —A. Not as I understand it.

By the Chairman:

Q. Now, we have got the customs imposts disposed of, and the sales tax. We have a suggestion that municipal taxation is higher in Canada than it is in the United States. Now, what other element enters into your increased cost of production? Are you paying your labourers and operatives more in Canada than the United States?—A. In connection with the question of labour, I have not any detailed information other than the following: In the United States, according to the 1919 census figures, there were approximately $200,000,000 paid in wages to 200,000 employes, an average of about $1,000 per employee. In Canada, for 1920, the last issued by the Dominion Bureau of Statistics—they are not entirely comparable because one is 1920 and the other is 1919—$14,205,270 were paid to 13,230 employees, an average of $1,074.

Q. In what year were wages likely to be higher? 1919 or 1920? Was not 1920 the very peak of inflation after the War?—A. I do not know just when the increase came. I have only been connected with the industry for a couple of years.

Q. All wages come to a matter of equality. All operative labour tends to an equality. I think I am right when I say that the peak of the inflation was in 1920.—A. There is, however, this to be kept in mind, that Canada at the present time has technical schools for the training of skilled foreman, supeintendents, and skilled factory labour of that kind, and that most of that labour has to be brought from the United States. Quite a number of the principal factories in Canada have to bring in foremen from the United States, and to get those men to come here, it is necessary to pay somewhat higher prices than are paid in the United States.

By Mr. Caldwell:

Q. In connection with these figures, we have no record of how many were short-term employees, of how many were temporary. That fact is this, and it has been true almost every year, as nearly as I can remember, that our people go to the United States because they can get higher wages there, and at the present time they are flocking there by the hundred.

By the Chairman:

Q. I do not think, Mr. Weaver, you will suggest that a boot operative working in a factory in Montreal, the ordinary run of men, get more than his brother who goes down to Boston gets?—A. I do think that wages are approximately on a parity, but I am not in a position to say whether they are higher in Montreal than in Boston, or vice versa.

Q. We would not be doing an unfairness to either side of the question, would we, if we said that the wages were on a parity in the United States and Canada? You cannot justify your higher production costs, because you are paying higher wages to the ordinary man or woman in the factory, can you?—A. No, the difference is not the wages, except in respect of certain specialists, and skilled employees that have to be brought in and given salaries that are sufficient to induce them to come to Canada.

Q. Is there not as great a demand where the industry is big in the United States for skilled labour?—A. If a man has been superintendent in a big factory in the United States, the experience of the Canadian manufacturers has been that they have to offer something in the way of pretty attractive inducements to get that man to come to Canada.

By the Chairman:

Q. You were secretary of this association. Would it not be the part of wisdom of this association to found some sort of technical school that would bring along some of our native sons, instead of importing them from the United States?—A. When you say "founded," there is nothing that the Shoe Manufacturers' Association would rather see done than the development of technical education in Canada. It has been considered very carefully. A number of deputations waited on Sir Lomer Gouin when he was Premier of the Province of Quebec, and his endorsement was obtained. We have been in communication with the Director of the Technical School in Montreal, and tentative plans have been discussed for the installation of classes in the technical school in Montreal for the express purpose of training from Canadian factory workers those men who are suited to occupy positions as foremen and superintendents, with a view to rendering the industry in Canada independent of those imported workers.

Q. Are most of the superintendents and foremen in your factories imported from the United States?—A. Quite a number of the superintendents in the larger factories, where the finer lines are manufactured.

By Mr. Caldwell:

Q. There has been no alteration for thirty or forty years?—A. I do not know of any factories that have been in operation for forty years, and very few for thirty years.

Q. For twenty years?—A. Yes, there is quite a large proportion as far as the larger factories are concerned—quite a large proportion are Americans.

Q. And you do not develop any men in that factory, that develop ability to take charge as foreman?—A. That depends largely upon the foreman himself—the foreman and superintendent. If you get a really good foreman, a really good superintendent, who is interested in his job, and who is interested in his men, you will find very often that he will bring along and train some man from a lower position to occupy the higher position in the factory.

Q. It is possible to do that, then?—A. It is possible to do it, but it would be so very much easier if technical classes were founded, and if it were possible to have in this country facilities for technical education.

Q. We will admit that. You will admit that it is possible to do this? The manufacturers say "Be patriotic, Buy Canadian-made goods." These same men should be patriotic enough, if it is possible, to train their own men and advance them to high positions.—A. That is what they are endeavouring to do by arranging for these facilities.

Q. They have not succeeded very well, apparently, in the shoe industry, in developing the man of higher technique.—A. The factory operator working on a peace time basis, the average man is kept pretty close at his particular operation, and while some of them would appreciate and be willing to give a certain amount of time for the foreman or superintendent to pay a little attention to them, and show them reasons why things should be done in such a way, the average man is out to make as much a wage on that particular day as he can. It is not such a simple proposition as you would seem to infer. A good many of the men have indicated their willingness to attend these technical classes when they are started.

APPENDIX No. 3

By the Chairman:

Q. Does that finish your views as to why your costs of production are higher in Canada than in the United States?—A. No, the matter of quantity output is a very important factor.

Q. Now when does that come into play? I could not get from Mr. Warrington the point at which he thought an economical unit of factory production began. Do you get my meaning? For instance, just to take an analogous case. It has been found by experience that a steamer of about 8,000 to 11,000 tons, and steaming about 9 knots an hour, is the steamer which is the most profitable as a cargo boat. I suppose in all industry there is a certain stage of growth at which you can say, "Now, that is an economical way to produce on a scale which can be carried on in this factory."—A. I do not know where that stage is. I do not know what size factory would be most economical. I do know this, that the average factory in the United States is very much larger than the average factory in Canada.

Q. How big has the factory to be before it can be economically run? You come before us with the avowed intention of justifying a tariff. You said to us, "Our industry is largely in the hands of small factories." Is that one of the reasons why it is not able to compete with the outside world, because the industry is sub-divided too greatly into too many small factories? Is that the reason?—A. I will say this, that if a small number of factories do the business of the entire Canadian market, I think they could produce at a considerable reduction, and that is indicated by the fact of these tremendous mergers in the United States, where they still are aiming at making economies in production.

Q. Do you think it is fair to ask the people of Canada to pay more for their boots and shoes because your industry is not organized on a sound, economic basis?—A. I think, Mr. Chairman, that the shoe manufacturing industry is perhaps organized on as sound an economic basis under the conditions under which it has grown up, and under conditions such as we have in Canada at the present time.

Q. That hardly answers my question. You say the conditions under which it has grown up may not possibly have brought the best results. You see what is in my thoughts, don't you? Is it quite fair that a tariff should be made higher, that business may be carried on in say 100 small factories when it could be made economically better if there were 10 large ones?—A. I do not want to appear to be trying to evade your question, but I do not know how you would make the transition from the large number of factories.

Q. I am not attempting to indicate that either, Mr. Weaver. I am just asking you a more or less abstract question, whether it is quite fair for an industry to come before a representative body such as we are here to-night, and say in effect, "Our industry is not on the basis to give the best economic results. We have far too many factories. We could do better if we were merged in larger factories, but we think our tariff protection should be maintained." I do not know whether I should ask you whether it is fair or not. You are employed by these gentlemen, and perhaps it is not fair to ask you that question.

By Mr. Caldwell:

Q. Do you think that if there was no tariff protection, that these little factories would spring up? That the man with very little capital, or no capital, would go into business?—A. There are a great many small factories in the United States.

Q. Do you think many of these would be operated in Canada if there was no protection?—A. I cannot answer that question, Mr. Chairman.

[Mr. S. Roy Weaver.]

Q. Have you an opinion?—A. Your question is, as I understand it, if there were no tariff, would so many small factories start up as have been starting up in recent years?

By the Chairman:

Q. Under present conditions?—A. Frankly, I cannot understand why so many of them have started up, because I know I would not want to put money in a small factory.

By Mr. Caldwell:

Q. I would like to have your opinion on that one point.

Mr. SALES: I do not think that is fair. This young man is working for a lot of men who believe in the tariff, and I do not think we should press him for an answer.—A. I do not know that I could answer that question anyway, but I do believe that if the tariff is removed, a very large number of the factories at present in existence in Canada would be forced out of business within a very short time.

By the Chairman:

Q. And would those be the small factories or the larger ones?—A. The weakest factories would go first, whether they are the small ones or the large ones. It would work out, as I see it, in this way. The American factories would be bound to get a certain amount of the Canadian trade, whether at first from considerations of price, or from offering something new, there is always the element of attractiveness, perhaps in an imported article. Some people will buy imported stuff regardless of the quality, but simply because it is imported.

By Mr. Caldwell:

Q. Because it is a newer style?—A. No, because Canadian manufacturers are offering the styles that are quite on a parity with those in the United States, but the retailers are slower to take them up.

Q. You say that if the tariff was taken off, a good many of these factories would go out of business, and you said that if there were only ten factories in Canada, it would make it a more profitable business.—A. If the tariff were removed I would answer the question by saying that I think the only factories that would remain in Canada would be the little factories catering to local demand, and that the bigger factories would be destroyed sooner or later. The factories which are at present operating on a national scale would be destroyed sooner or later by the big factories in the United States.

Q. You said a few minutes ago that the bigger factory would have the advantage?—A. There will always be a certain number of small factories catering to local demand, or a small trade within a small area. That has been the experience.

By the Chairman:

Q. In connection with Mr. Deachman's statement on page 927?—A. He says at page 927 that the average capital in the United States factory in 1914 was $187,000, and that the average capitalization of the Canadian factory in 1919 was $240,000, aside from the fact that he is dealing in one case with a post-war situation, and with a pre-war situation in the other. There is this further consideration, that in the form that is sent out to the Canadian manufacturers to report their capital, it is reported under four heads, land, buildings and fixtures, machinery and tools, materials on hand, stocks in process, etc,. cash, trading and operating accounts, without any deduction whatever for liabilities—the capital items only, without liabilities deducted. Apparently

what has taken place is this. In the United States census figures, the capital reported is net figures. In the Canadian Bureau of Statistics, the capital reported is gross capital. As an evidence that Mr. Deachman's figures do not correctly represent the situation, I have figures here to show that the average number of employees per factory in Canada is 76, and in the United States is 128.

By Mr. Caldwell:

Q. Where do you get these figures from?—A. These are official figures. In the Canadian figures they are obtained by dividing the number of factories into the total number of employees.

Q. Are you including in the Canadian figures the factories that had 5 employees?—A. I am taking the total number of plants in Canada. The definition of an industrial establishment is the same in Canada as in the United States.

Q. What do you call it?—A. An industrial establishment.

Q. And if it has five employees, it is an industrial establishment?—A. Yes.

Q. Are there many factories in the United States with that small number of employees?—A. I would not say, that is, in proportion to population.

Q. In proportion to the number of factories?—A. But you have to include that in taking the average. Anything that I am giving you is the average.

Q. You can prove almost anything by averages, but you told us that a great majority of our factories are very small ones. Is it not a fact that a great majority of the factories in the United States are large factories?—A. There are four factories in the United States which are producing between thirty and forty per cent of the total output, and I do not know how you can arrive at any comparison than by averages. Mr. Deachman's figures are averages, and the figures I am giving you are taken from official reports. The only source of information that I have shows in one case that the average number of employees per factory is 76, and in the United States 128.

Q. But I want this on record as well, that a majority of our factories are of the very small type, or the very moderate class, while the majority of the factories in the United States are of the larger class.—A. There are in the United States between 1,450, and 1,500 factories. If you take out between 33 and 40 per cent production for four factories, and then your other groups, you are going to get rid of quite a lot of small factories.

By Mr. Milne:

Q. You are changing from capital to employees. Why not keep to capital?—A. I could give you, Mr. Chairman, in the Canadian factory according to the way it is reported in this book, as gross capital. I have not the United States figures. As a matter of fact, I did not see Mr. Deachman's evidence until I came up here last night, and I could only bring along a certain number of records. But it does seem to me that the figures I have quoted, showing an average of 76 employees in Canada, and an average of 128 employees in the average factory in the United States, ought to be pretty conclusive evidence that the capitalization should be proportionate to the number of employees.

Q. Is it not a fact that the United States factories are on a more efficient basis than our factories, that they divide the work up among many factories?—A. Some factories in the United States are on a more efficient basis than the factories in Canada.

Q. They have a larger production?—A. Exactly. Those that get the advantages of quantity production, population and so forth, can produce more economically, but I know this, that the principal Canadian factories are doing

everything in their power to improve the quality of their products, to reduce the cost of their productions in every possible way, and that they are getting the utmost in labour-saving devices and the most efficient modern machinery they can possibly secure, or that their resources will permit them to obtain.

Q. What I meant more particularly was this, if I understand the organization in the United States, that they have one factory producing one kind of shoes, another producing another kind of shoes, and so on?—A. You meant that specialization has gone a little farther in the United States than in Canada. I think that is the case; I think specialization has gone a little farther in the United States than it has gone in Canada.

Q. Is that system developing in Canada?—A. Specialization in Canada is developing, but as explained this afternoon, the possibilities of specialization are limited to a very large extent by the population that is served, that is, a man who is selling his shoes to the retail trade finds that his costs of distribution are considerably higher if he goes to the trade only with women's shoes; the average order will be necessarily smaller. But if the traveller can take a general supply of shoes to show to a general store, for instance (a very large or a considerable proportion sold are sold through general stores), the chances are good for larger orders.

By the Chairman:

Q. If it were possible through organization to have one factory give special attention to one line, another factory to give special attention to another line, and a third factory to give special attention to still another line, coupled with a scheme of collective selling by the factories, would that not cheapen the cost of distribution as well as the cost of production?—A. It looks very nice in theory, Mr. Chairman, but I do not know how it would work out in practice. I do not know of any large system of distribution of that kind that has been devised which has been successful.

Q. Do you feel that the costs of distribution are very heavy?—A. There is no question about that. To a large extent, it is the penalty of conditions in Canada, our small population and our geographical situation.

Q. Spread over a large area?—A. Yes.

Q. Does it not devolve upon those who are the best fitted for it to devise some scheme to get away from that cost distribution?—A. The question is a very difficult one. It is a difficult thing to get the best system that is obtainable. I know that the great majority of the manufacturers, most of the manufacturers realize that distribution costs are very high, but how they can be overcome is an exceedingly difficult problem. I know this, that not only are very few of the shoe manufacturers making profits, but very few of the wholesalers and very few of the retailers are making profits. I have a list of approximately 35 wholesale shoe houses in Canada that have gone out of business in the last couple of years. The mortality has been exceedingly heavy, and our credit service section has a great deal of information in regard to the retail companies as well.

By Mr. Caldwell:

Q. Are you speaking of the last two years?—A. Yes, sir.

Q. Were they not loaded up with a lot of high priced shoes when the deflation in prices came along?—A. Yes. It was partly due to that and partly due to the rapid changes in style.

Q. How much was due to style changes, and how much was due to being loaded up with high priced shoes?—A. To a very considerable extent it was due to style changes. It is a world-wide situation. The fact also is that in Canada there was this intense competition.

Q. Was that not true of large stocks of merchandise that the merchants were carrying?—A. The shoe industry has been harder hit than any other line in Canada.

Q. That is not my experience. I am a shareholder in a company that has thirty stores. We have been hit harder in the clothing business.—A. That is not our experience.

By the Chairman:

Q. How do those casualties arise, in shoes?—A. There is a variety of reasons.

Q. What is the influence of these changes in styles?—A. That is a big mystery, Mr. Chairman. I attended on Tuesday of last week by invitation a meeting of the Style Committee of the shoe industry at New York, which met to prepare a style forecast for the coming season, and to try and help the retailer by putting out a statement from the manufacturers to wholesalers and retailers as to what would be safe for the coming season, in order to help the retailer to buy safely. I have yet to get an explanation of where the styles originate. It is known that the opinion of Paris is very great in the mattter of styles.

Q. But not in men's boots?—A. The style problem is confined principally to women's shoes.

Q. Styles change. Some years ago the closer you could get your shoes to the shape of a needle the better.—A. The changes in men's shoes have not been so rapid nor as costly as in the case of women's shoes.

Q. Now, Mr. Weaver, I think you had something else to tell us.—A. The statement was made at page 928 that the Canadian shoe factories would be in about the same position as those of Wisconsin, under free trade. I simply wanted to point out in this connection that if the home market were denied or reduced for the Canadian shoe factories there would be nowhere else that they could turn to with safety. Foreign countries are all erecting extremely high tariff barriers. Australia has a tariff of 55 per cent ad valorem, if I remember correctly, on boots and shoes, against Canadian footwear. South Africa has put on an embargo against most lines of footwear, those lines manufactured in the Union of South Africa, with a view to protecting their domestic industry. No footwear in those cases is admitted except under licenses, and no licenses are issued except under very special conditions. So far as the United States is concerned, it would be very difficult for a Canadian manufacturer to go over there and build up a trade, knowing as he would that his business in the United States might be cut off over night at the whim of the United States authorities. It is quite true that the shoe manufacturers in Canada sold shoes to France during the war, but when the peak was taken out of the financial situation, and the value of the franc was cut off over night, and the money that had been spent in building up a market for the Canadian factories was completely lost.

By Mr. Caldwell:

Q. You are not expecting United States currency to vanish?—A. No, but there is legislation that might shut out Canadian trade at any time. The most dangerous possibility is the possibility of adverse tariff legislation.

Q. You are not estimating that the United States would put a tariff on shoes?—A. Well, I don't know. They are still continuing the tariff down there. If the United States Congress should decide to put a tariff on hides, due to an agitation from the farmers or from any other element there, it might very easily be that Congress would be forced to put a tariff on boots and shoes to compensate.

Mr. SALES: We shall have to make our own harness then.

WITNESS: I have here a memorandum comparing the shoe manufacturing industries in the United States and Canada. Some of these figures have been already given to you, but perhaps you would be interested in hearing them again. The number of the factories in the United States is approximately 1441, and in Canada it is something less than 173. The number is probably down to 160 by now. The production in 1919 in pairs in the United States, was practically 330,000,000, in Canada it was 19,160,749.

By Mr. Sales:

Q. How many factories are there in the United States?—A. In the United States the number of factories is 1,441. According to the 1922 figures, the production in the United States was 310,000,000 pairs, in Canada it was 16,000,000 pairs.

By the Chairman:

Q. Have you the number of men employed in both countries?—A. Yes I have that, or I can give it to you approximately. There is a home population in the United States of 108,000,000, and in Canada 9,000,000.

Q. I mean the number of men employed?—A. I am coming to that. The number of factories per million of population was approximately 13 in the United States as against 18 or 19 in Canada. Even with a smaller number of factories in proportion to the population, the United States is providing a certain amount of export business. The number of persons dependent upon the shoe manufacturing industry for their livelihood in the United States is approximately 800,000 as against 65,000 in Canada. The number of employees in the United States will run almost to 250,000 now.

Q. You divide the number of people by five to get the employees, do you not?—A. I was figuring this on the basis of 200,000, which was the official figure for the United States in 1919 as against 1913 figures for Canada. The number of people employed per factory will be a little higher I think in Canada, by reason of the fact that there are larger families in the Province of Quebec, which will make a little difference. The actual number of employees is something around 200,000 in the United States as against between 13,000 and 14,000 in Canada.

The CHAIRMAN: It would have been nice if we had had the production figures.

By Mr. Caldwell:

Q. Unless we get the exact figures, it is useless to put all this on the record. —A. I have the exact figures for Canada. The number of employees according to the 1920 census was 13,230. I was giving you the figures in the United States according to the 1919 census. It is a little difficult to get these for exactly the same period. The United States figure of 200,000 is official.

By the Chairman:

Q. If we had the exact figures for Canada, they would show the production per operative. However, you have come here to give your side of the question, and we do not want to limit you in anything you want to say.—A. In the United States the number of shoe manufacturing concerns that went insolvent in 1918 was twelve. The number that went insolvent since 1885 is approximately 178. The capacity, the daily production of the largest shoe manufacturing industry in the United States is 140,000, in Canada 9,000; that is their capacity production.

Q. To make that comparison fair, you have to tell us how big the American industry is as compared with the Canadian industry.—A. How can I tell you except by the number of pairs capacity?

By Mr. Caldwell:

Q. Tell us the largest factory in the United States and the largest in Canada, and we can then get the production per capita.—A. I cannot tell you the number of employees; I have not got that.

By Mr. Milne:

Q. 9,000 pairs is the largest in Canada?—A. 9,000 pairs is the capacity of the largest factory in Canada. 9,000 pairs is the capacity of the Ames-Holden-McCready Company. The present daily production of the largest shoe manufacturing company in the United States in pairs is 135,000, in Canada it is 3,750. There are four shoe manufacturing firms in the United States which together are producing 400,000 pairs of shoes daily, or from 33⅓ to 40 per cent of the total production. Canada has not such immense shoe manufacturing concerns. The total daily capacity in pairs in the United States is 1,750,000 pairs as against 85,000 pairs in Canada. The actual daily production in pairs in the United States is 1,200,000 pairs as against 65,000 pairs in Canada. I wanted also to stress the fact that competition between the Canadian manufacturers insures the lowest possible price at which goods can be produced under present economic conditions in the Dominion, and that this competition affords absolute protection in respect of price to the Canadian buyer of footwear.

By Mr. Sales:

Q. Would you explain how it is that with all the improvements in machinery, in the days when one man sat and made boots by hand—and they would wear a good deal longer than yours—they did not cost very much more. Where is the advantage of all this machinery and mass production? Whom does it go to?—A. As I understand you, you say that the old hand-made shoes lasted longer than the shoes made to-day.

Q. Yes.—A. You must remember in the days to which Mr. Sales refers, we did not have cement sidewalks and cement roadways.

Q. I was living in a country where we did have those hard pavements and sidewalks and macadamized roads. It was hard wearing and I had a pair of boots made there when I was 20 years of age.—A. Were they not much heavier boots than the boots made to-day?

Q. No, I do not think so. I know they were a really good pair of boots, I was proud of them. —A. Did you wear them every day the way the average men wears shoes to-day?

Q. I wore my working boots every day and my Sunday boots on Sunday the same as I do now.—A. The Sunday boots lasted a long time. It is more economical for a person to have two pair of boots and to wear them on alternate days, than to have only one pair.

Q. I want to know where all these improvements in machinery and all this great production has gone to, because the boots were cheaper than they are now. —A. In relation to the price of labour—

Q. The price of boots. I do not know anything about the price of labour or anything else. The price of boots, which I use as a consumer.—A. The dollar then was a different thing from the dollar now.

Q. There is a little difference between going into Mr. Ritchie's factory at Quebec and see him turning out 2,200 pairs a day, and a man laboriously sewing by hand—

The CHAIRMAN: I asked Mr. Stewart to come to-night, and we want to finish with this witness, so Mr. Stewart can get away by the early morning train,

if he wants to get home. I think you have something more you want to put before us, Mr. Weaver, and I will try and restrain myself from asking questions and I think my example will probably be followed by the rest of the Committee.

The WITNESS: I think this is all I have to bring up, except to make this statement, that during the war the Canadian Government bought shoes at closer prices than almost any other commodity which was purchased.

By Mr. Sales:

Q. Brown paper shoes.—A. Your reference to paper shoes—the reference that is so frequently made to paper insoles is misleading. There is no paper used in shoes, except those fibre counters and fibre toe caps, box toes, which are used to some extent. These are absolutely water-proof and for shoes for most classes of wear, they are absolutely most satisfactory. They are used in the States the same as in Canada. There are certain advantages in them. You can get a much better appearance in the shoe very often, with a manufactured toe cap and a manufactured counter than you can with the leather skived down to a fine point.

By Mr. Caldwell:

Q. I want to support the witness in his statement that the Canadian Government bought shoes cheaper than anywhere else for the soldiers in France. I had two sons in France and they wrote me to send them some shoes. The shoes issued to them were like a sieve.—A. I do not want to take up unnecessary time, but I do think a word of explanation should be offered here. The conditions in England and the conditions in France were totally different from the difference in the South African war. The Canadian army shoe was a shoe which had apparently given fair satisfaction, made to specifications. They had apparently given fair satisfaction in the South African war and orders were placed for shoes to those specifications. The Canadian manufacturers made shoes to the specifications that were given to them. They had no recourse. When these specifications were changed, heavier shoes, shoes more suited to working in the trenches were adopted. The Canadian shoes were equal to those worn by any soldiers on the battle field.

Mr. CALDWELL: I would like you to tell that to some of the boys who wore the Canadian army shoes.

The CHAIRMAN: Gentlemen, do not let us get into a discussion of it. Go on and make your statement.

The WITNESS: That is all, except that I would like to file this copy of a little pamphlet that was issued about a year ago, showing industrial facts. This is one of a series showing where protection is needed. There is one statement here I would like to refer to (reads):—

> "Footwear manufactured in the United States is similar to that made in Canada, and floor stocks and surplus goods of the United States factories alone would more than provide for all the requirements of the Canadian trade. But while a reduction of the tariff would result in the Canadian market being flooded with United States footwear, whenever the factories of that country required an outlet for their surplus production, the United States plants would consider their home trade first whenever the demand exceeded the supply."

I will file this copy with you here. Filed as EXHIBIT No. 112, not printed.

By Mr. Milne:

Q. So that the shoe manufacturers of this country are going to force a living out of the country?—A. The shoes manufacturers are not in a position to dictate what we shall do. They simply present their case. There is the employment of a good many workers involved, and their dependents. There is the investment of a good deal of capital involved. The manufacturers have to present their case to you and leave the matter in the hands of the country. That is all they can do. They do feel that they provide for those workers, provide local employment which provides a home market for the product and for their Canadian industries which pay very considerable in taxes, and they ask that these considerations be kept in mind by you and by the country.

The CHAIRMAN: We thank you very much, Mr. Weaver, for your very valuable explanation.

By Mr. Sales:

Q. How old are you, Mr. Weaver?—A. 33.

The witness retired.

Mr. FREDERICK W. STEWART, called, sworn and examined.

By the Chairman:

Q. You are the President of the Cluett, Peabody Co. of Canada, Limited?—A. Vice-President and Managing Director.

Q. Your headquarters are where?—A. Montreal.

Q. Your factory is at what place?—A. We have a factory at St. Johns, Quebec, and one at Kitchener, Ontario.

Q. You make the Arrow collar?—A. Yes.

Q. You suggested that as your company's name had been mentioned in the evidence of Mr. Pedlow, concerning the price at which collars were sold, and price fixing, you ought in fairness be given an opportunity to place your side of the case before the Committee?—A. Quite true.

Q. You appear for that purpose to-night.—A. Do you wish me to state my case and not to answer questions?

Q. We do not allow anyone to come here who does not answer questions, but we let them start off by stating their case.—A. Well, I happened to be in the west when I read the statement made by Mr. Pedlow, a very old and valued friend of mine of many years' standing. I arrived home only on Saturday. I really have not had much time since arriving. I have been in my office yesterday and to-day, and have not had much time to prepare a specific case, but I would like to outline to your Committee the point of view of my company in this matter that has been mentioned by Mr. Pedlow. I would first like to say that there is not any article of merchandise that is manufactured or produced in any country or in any industry, which in a way is comparable with collars. There is not any manufacturing concern, I am referring now to the American continent perhaps more than to any factory in England, who manufacture a collar of more than one quality. When I first went into the industry, some thirty-five years ago, there were several different qualities made. In fact, collars were made of four different qualities.

Q. What company was that?—A. Tooke Brothers, Limited, with which company I was connected for about fifteen years. Through the matter of competition and to a certain extent the matter of cost of production, every manufacturer has come down to manufacturing one quality of collar, and in doing so, naturally

is able to produce a collar at a price which will be of better value than if he undertook to produce two or three or four different qualities, because a collar is an article which has really got to be produced in large quantities to be able to be sold at the prices at which they are being sold, and to be produced at the cost at which they are being produced. Now so far as these manufacturers are concerned, the statement was made, if I am not incorrect, that there were only two manufacturers in Canada manufacturing collars. I am speaking now of laundered collars, generally termed by the consumer "linen" collars.

Q. Though they are made as a matter of fact, of cotton.—A. Absolutely. I do not think there have been 100 dozen collars made on this continent in the last twenty years out of anything but cotton.

Q. You said the statement was made that there were only two manufacturers?—A. As far as the United States is concerned, the production of the laundered collars has gotten down practically down to two companies in the United States, for 110,000,000 population. Those are our own company of Troy, N.Y., and George T. Ide and Company. There are two or three other manufacturers who are manufacturing collars, but their production is so limited that you really might not consider them as laundered collar manufacturers, so that so far as Canada is concerned, with two manufacturers, for the number of population we have here, as against the United States, you can realize the situation is not very extreme here.

Q. Are there only two here?—A. I mean selling them to the retail trade. There are three. The Converters sell entirely to the wholesale and jobbing trade. As a matter of fact, so far as the laundered collar business is concerned, I think that the business for that class of goods in this country is largely taken care of by our product.

Q. That is to say, most of those who wear collars in Canada to-day wear Cluett, Peabody collars?—A. Laundered collars. We have at present about 5,000 retail merchants who are stocking and selling our laundered collars in Canada. I would like to say at the beginning that it has always been the policy of our company to keep our prices down as low as possible, and from the very first day that we were in position to ship collars from our Canadian factory—at that time having only one—to merchants in this country, made from exactly the same materials as we use in our American factories. In fact, the materials are brought in from our American factories, and are brought in to-day. Our collars were shipped under those conditions at that time, at exactly the same price to the merchants in Canada as they were charged to the merchants in the United States from our American factories, and were sold to the consumer at exactly the same price in both countries.

Q. That condition, when the Canadian public were paying the same for your collar as their American cousins, obtained when, Mr. Stewart? That began in what year?—A. That began in the year 1912 and until three years after the war broke out.

Q. From 1912 until 1917?—A. Yes.

Q. During those five years they got their collars at the same price?—A. Yes.

Q. How many large concerns were there at that time manufacturing collars?—A. Three.

Q. That is, Williams, Greene & Rome, yourselves and Tooke Brothers?—A. Yes.

Q. And then what happened?—A. I might say that when we started to manufacture in Canada we absorbed the duty on the materials, which we were bringing into Canada in our cost, notwithstanding that we still shipped them out at the same price.

Q. Do you sell your collars at 25 cents a piece?—A. They retail at 25 cents.

Q. Would you tell us what the kind of material is that goes into one of those collars—what it costs you?—A. The material itself?

Q. Yes.—A. I cannot tell you that for this reason—approximately I could possibly—because all the costs are made up in Troy, at our American factory, and the goods are shipped out to the different factories. The invoices, so far as materials are concerned, do not come to my office at all. I am not interested in them at all, because it does not come under my jurisdiction.

Q. You are general manager?—A. I am the general manager, but so far as that particular part of the business is concerned, it does not come under my jurisdiction. I have nothing to do with worrying about prices or material as they land at the factory, but I would say—should I speak of the present prices, or those when we came into the country?

Q. Present prices.—A. I was trying to find that out to-day, Mr. Chairman. I tried to find it out at my office, but we did not have anything there. I can give the American price to you approximately.

Q. Yes.—A. There are several different qualities which go into a collar. There is what they call the outside facing of the collar, which is a very fine material, and then there is the inner lining, which is not so good. I should say offhand, based on to-day's market, that the American price on the average would run from about 25 cents to 30 cents a yard.

Q. How much goes into a collar?—A. I should say probably about two yards to a dozen, and some of them will probably have three yards.

Q. The consumer is paying $3 a dozen.—A. Yes.

Q. Now, do you say the material costs roughly?—A. I should say 25 to 30 cents on the average per yard.

Q. It takes how many yards to make a dozen collars?—A. Two to two and a half yards, according to the height of the collars.

Q. That is, 75 cents for the material.—A. That is the American price.

Q. What is the duty on the material?—A. Twenty-five per cent, $18\frac{3}{4}$ cents.

Q. Now, freight and so on would amount to what? A cent?—A. Oh, I should say a cent a yard would cover it.

Q. That would be $2\frac{1}{4}$ cents. That is 96 cents for material a dozen. That is laid down in Canada. Now, what is your cost of production per dozen? We have not got the figures for the cost of production.—A. If I had known that I would have been very glad to give it to you; I would be very glad to give you any figures you want.

Q. We understand—you will correct me if I am wrong—that you can buy three of your excellent collars for 50 cents in the United States, but you can only buy two in Canada.—A. You can buy two for twenty-five cents.

By Mr. Sales:

Q. Your collars?—A. Yes, of the same quality.

Q. In Canada you have to pay 25 cents a piece.—A. Yes.

Q. Do you say that that condition is fair to the Canadian industry?—A. Absolutely, emphatically so. We sell these collars to the trade at $1.90 per dozen, and if we did not get a profit at $1.90 we would not ask $1.90. The price in the United States is $1.60.

By the Chairman:

Q. We have been going into the costs quite carefully, and we would like if you had been able to show us why it is fair to charge a man 50 cents for two

collars when he can get three in the United States for the same price, even with the addition of duty, packing and transportation costs of about 21 cents per dozen?—A. If you are a merchant in business, or if any gentleman here is a merchant, if the statement I make is not correct I will be glad to have Mr. Pedlow say that I am not correct. If you are a merchant and are paying a certain price to the manufacturer, you have to secure a certain price for that article to pay for the expenses of running your business, and at the same time leave a little at least for yourself. My business for the past 25 or 30 years has brought me into contact with retail merchants. I have just returned from a six weeks' trip to the Coast. My entire time there was spent discussing business problems with retail merchants. You may not agree with the particular statement I am going to make, but I am prepared to prove it by any retail merchant in Ottawa. I find that the average cost of doing business in a men's furnishings clothing store in the average town or city is from 28 to 32 per cent of the sales.

Q. I do not want to interrupt you discourteously, but we are not bothering with the retailer just at present.—A. I am answering your question, Mr. Chairman. You asked me why you were paying 25 cents, and I am trying to explain why that 25 cents is charged.

Q. You are going to put it on the retailer?—A. I am going to explain. You asked me why you were paying 25 cents to the retail merchant, and I am going to explain to the best of my ability why that price of 25 cents is there. Take $1.90 per dozen plus a sales tax of 4½ per cent, you will find that that comes to $1.98½—we might make it $2.00 for easy figuring.

Q. No, make it right.—A. You will find that the cost of a dozen collars to the retail merchant at $1.90 plus the sales tax of 8½ cents comes to $1.98½, and I figure on 3 per cent for transportation charges, which I do not think is extravagant for landing a dozen collars the distance the average merchant is from our sales rooms. We have for the convenience of the merchants of Canada sales rooms in Montreal, Toronto, Winnipeg and Vancouver, and the price to all merchants from coast to coast is the same out of all those warerooms. We do that to land the collars as cheaply as possible at the stores of the merchants and give them the service they require, because it is a from day to day business.

By Mr. Caldwell:

Q. What is the total price?—A. $2.04¾. Let us presume that the average cost of doing business is 30 per cent of the sales in any of these small towns, that gives the merchant a cost we will say of $2.04¾, less than fifty cents of an advance on his invoice price, which would be about 32½ per cent gross profit on the amount of the selling price. If it costs him 30 per cent to do business, he has 2½ per cent as a net profit to himself from the sale of collars over the counter at 25 cents each. You will see that that is considerably less than one cent per collar of a net profit to the retail merchant. I contend that my figures are correct, that the costs of doing business amount to 30 per cent, and the merchant gets not more than 32½ per cent after landing the collars in his store. I contend that that is not an excessive profit for the retail merchant. Even that is on the basis of selling every collar at the full price, which he does not do. I think Mr. Pedlow will agree with me when I say that there are a lot of unsold collars which are laid aside, because nobody wants to buy collars with finger marks on them. I am sure he has old-fashioned collars which he cannot sell. Maybe he can give them away if he wants to.

By Mr. Sales:

Q. You get a total of $2.04¾?—A. Yes.

Q. To the retailer?—A. Yes.

Q. Then 30 per cent as the cost of doing business?—A. That is on the sale price, the cost of doing business.

By Mr. Caldwell:

Q. That is on his investment?—A. It does not matter what he has invested, it costs him ninety cents to sell that dozen collars. I will give you my experience, and it is that that is where 90 per cent of the retail merchants in this country are wrong. They figure their percentage on sales and their profits on the invoice prices.

By Mr. Sales:

Q. These collars net them 30 per cent profit?—A. I am not calling it profit.

Q. Well, the costs of doing business?—A. 30 per cent to sell that dozen collars.

Q. Is the salary of the merchant included in that?—A. Absolutely. If he does not do so he is not carrying on business on a proper basis, in my opinion.

Q. Then we have $5\frac{1}{4}$ left.—A. He gets $32\frac{1}{2}$ per cent gross profit out of it, on the sale price.

Q. We have $\$2.04\frac{3}{4}$ and 90 cents?—A. Yes.

Q. That means 30 per cent of the cost of doing business; that gives him $\$2.94\frac{3}{4}$?—A. Have you the sales tax in there?

Q. Yes.—A. All right. We will give it at that. That is less than one cent apiece on the collars.

Q. He has $5\frac{1}{4}$ cents left over?—A. That is net profit after selling a dozen collars at 25 cents apiece.

Q. Over and above his salary?—A. Yes.

Q. On his turnover?—A. Yes.

By the Chairman:

Q. What salary do you allow these retailers?—A. It depends upon the size of the business. Of course I think the man with a small business would not draw as much as the man with a large business. A small lawyer would not charge as large a fee in a case as a big lawyer.

Q. Before we get to the wholesaler, do you mind if we take you back to the manufacturer?—A. No, sir.

Q. First of all, what is the relationship between the two companies, the Cluett-Peabody Company of Canada, Limited, and Cluett-Peabody & Company Incorporated?—A. We are a subsidiary of the parent company.

Q. Is the stock largely owned by the parent company?—A. It is owned by the parent company almost completely.

Q. When your parent company sells to-day to the trade, what does it charge per dozen?—A. In the United States?

Q. Yes.—A. $1.60.

Q. That is thirty cents a dozen less than you sell for to the Canadian trade?—A. Yes.

Q. Your per dozen costs are in round figures 21 cents for duty and for freight or transportation?—A. Around that. I would say that that is correct.

Q. Is there a sales tax you have to pay to the Government on the importation?—A. We pay a sales tax on the importation of $3\frac{3}{4}$ per cent.

Q. What does that bring the cost of material for a dozen collars to?—A. It would make a slight change in the figures you already have, but not a great deal, perhaps a couple of cents.

Q. It would bring it up to about $1 for your material laid down?—A. I don't think it would be more than that. It might be slightly less than that.

Q. But that is close enough?—A. Yes.

Q. There is the $1.90 you charge to the Canadian retailer?—A. Yes.

Q. Can you tell me how the difference between $1 the cost of material and the $1.90 your selling price is made up?—A. We have to buy the materials, and we have to pay somebody for making them up.

Q. What does that cost you per dozen?—A. I could not tell you. I would be very much better satisfied if I could send you a cost card from our office, which will show you what they cost exactly. It was only last night I knew I was coming here. If I had known you really wanted any of these details, I could not have gotten them ready to bring to-night, because I did not have time to get them from the factory. You have $1 in round figures for the material. We have to make the collars and pay the wages of the girls who make them. We have to make them, launder them, box them up, run our factory, and when we get them out of the factory we have to run our business, and what is left we have in the way of a small profit. With that 90 cents believe me there is not much left when we come to that.

Q. No, not if it costs you to do business anything like you say it costs the retailer.—A. I do not say it costs us 30 per cent to do business.

Q. Can you tell us whether the girls working in the factory at St. Johns or Kitchener are paid less than they are in Troy?—A. They are just about on a parity. If there is a difference it is hardly perceptible.

Q. Most of the work is done by machinery?—A. Yes, most of the work is done by machinery.

Q. Do you pay more in Kitchener than you pay in St. Johns?—A. I think in some operations in Kitchener we pay a little more, and in some a little less. On piece work it works out at about the same.

Q. When did you take over Williams Green & Company?—A. We purchased that business I think it will be two years ago in July.

Q. Did the price go up before or after you made that purchase?—A. What price?

Q. The price of collars?—A. I could not tell you from memory. All I can tell you is that the purchase of the business had nothing to do with the price of the collars.

Q. What was the reason for buying?—A. They wanted to sell.

Q. You wanted to buy?—A. No, not particularly.

Q. You bought out of pure philanthropy?—A. No, sir. That question I think would have to be answered by our President. The whole proposition was put through while I was on the Western Coast. Mr. Williams died a short time ago. I presume the time had come when he thought he would like to retire. He asked us to buy out the business. Our Company I understand considered it and came to an agreement upon what basis the business would be purchased, and they purchased the business to run it as part of their own business.

Q. You say that in the United States the people can buy three of your collars for 50 cents, and sometimes two for 25 cents?—A. Yes. You could buy them in Renfrew at three for 50 cents not so long ago.

Q. Did you stop the supply?—A. Absolutely.

Q. Tell me why it is all right for your American Company to sell on such terms that the American people can get collars for as little as two for 25 cents, while in Canada the people have to pay 25 cents apiece for the same article?—A. In the United States there is only one price for a collar. Every manufacturer pays practically the same price. The material cost of manufacture is practically the same, the profit on doing business is practically the same, and in a Company like ours, where they have an enormous output they

practically set the price. The manufacturer who does not produce as much cannot sell any lower than we can.

Q. You set the price for the retailer, but you do not undertake to set the price for the consumer in the United States?—A. As far as that is concerned, our Company sets prices in the United States no matter what they are sold for. There is no other article you can mention or think of where there is only one quality made or only one price for that particular article in a retail store.

Q. Does that apply in the United States?—A. Absolutely. What is the result? The consumer knows what the retail price is, and any merchant who will undertake to sell under the regular price is doing it for the purpose of inveigling people into his store, or for advertising purposes. Mr. Pedlow in Renfrew or any other merchant who would undertake to use our merchandise for advertising purposes to bring customers into his store—

The CHAIRMAN: A vote is being taken in the House and we will have to adjourn. Will you wait until the vote is taken?

WITNESS: I am at your service for the remainder of the night.

The CHAIRMAN: All right, we will adjourn for a little while.

The Committee took recess at 11.05 p.m., and resumed at 11.25 p.m.

The CHAIRMAN: Gentlemen, we will return to our examination of this gentleman. It is getting late; have we any more questions we want to ask?

By Mr. Gardiner:

Q. Yes, I would like to ask a question. I understand from the evidence of the witness that in the United States retailers sell their collars at any price they may feel they care to charge; is that so?- A. That is the condition, I understand.

Q. In Canada, I understand you set the price for the retailers. If that is the case, why the difference between one country and the other?- A. Because I do not think our Company has the guts to see that the collars are sold at a price really profitable to the retail merchant. As I was explaining, the collars are used for attracting people into stores, used for advertising purposes, because there is not any other article which they can advertise under the regular price, which is more profitable to a man than selling collars at a price which is less than will show a profit.

By Mr. Sales:

Q. Would that not be better for you, you could sell more collars?—A. Mr. Pedlow could run collars of any certain brand out of Renfrew in three weeks, if he did that. We get our price for the collar, and we are only trying to be fair to the retail merchant.

Q. Explain that, how he could run them out.—A. If you are a retail merchant competing with Mr. Pedlow in Renfrew, and you are buying merchandise from me that you know you are going to sell to-morrow at a loss, you are certainly not going to buy my merchandise, you are going to buy something which will show a profit to you.

Q. I cannot buy anybody else's collars cheaper than yours.—A. Certainly you can. You can buy them from Tooke Brothers; I have nothing to do with them.

By Mr. Gardiner:

Q. Is it not a fact that your collars and the Tooke Brothers' collars are practically on a parity as far as quality is concerned?—A. I think mine are a better quality.

Q. But practically, to all intents and purposes, they are about the same value?—A. Yes.

Q. And would it make any difference to your sales if, say, one or two merchants in a city were to sell your collars a little cheaper?—A. Absolutely. That is my experience of twenty or twenty-five years, and knowing what happens if anything of that kind is done.

Q. How can you make that statement authentically, because of the fact that collars are practically the same value and the same price?—A. Yes.

Q. The same cost?—A. Yes.

Q. Would it affect you in any way if I were to change over from your collar to a Tooke collar, because Mr. Pedlow was selling his at a little lower price?—A. Absolutely. There is not any merchant that I know of who wants to sell his merchandise at a loss.

By Mr. Caldwell:

Q. Does your firm in the United States keep on supplying the men who sell two for a quarter?—A. Yes, but I think that condition is going to be changed.

Q. They do not in Canada?—A. No, the retail merchant in the United States to-day would be glad if that condition existed there; that would be fair to the consumer and fair to the retail merchant. I think, when a merchant buys any merchandise it is only fair to him that he can feel that when he sells it, he is going to sell it at a profit, and if he sells it at one cent less than twenty-five cents, he is going to make a loss.

Q. Do I understand you to say that you think it will be changed in the United States?—A. Yes, sir.

Q. There is a movement on foot for the company to set the prices?—A. They do not set the prices, but they are advertising the price of twenty cents because there was quite a cut in the last two or three years in the price of collars. Trade was not very good—it is good now, but all over the United States trade was very very quiet in all the men's stores, the same as it has been here, and the merchants would cut the prices on collars to bring the people into their stores.

Q. Have the sales of your company in the United States fallen off very materially?—A. No, they sell their merchandise there, if they can get their price, as we would here, but at the same time the laundered collar business has been largely affected on account of this price cutting, and the result has been that there is an enormous demand for soft collars.

By the Chairman:

Q. Do you think that the price cutting of laundered collars has anything to do with the diminution in the use of laundered collars?—A. Absolutely, I know it to be a fact.

By Mr. Caldwell:

Q. Is this not a fact, that the retail merchant orders what his customers demand?—A. He buys our collar because he realizes it is the best collar for the money.

Q. You do not mean to tell me that the people of the United States have quit buying laundered collars?—A. Yes, I do.

Q. Because they are wearing soft collars?—A. No, because it does not pay the merchant to sell them over the counter, and he does not want to take any money which does not bring him in a profit.

Q. Can he sell a laundered collar to a man who does not want it?—A. No, sir, the retail merchants of the United States to-day do not try to sell laundered

collars. If a person went in and said he wanted a laundered collar, he could get it, but at the same time he promotes the sale of soft collars with the result that the production of our factories in the United States to-day is beginning to run largely to soft collars.

By the Chairman:

Q. Is that not due rather to a change in style?—A. Not necessarily, the retail merchant does not want to sell laundered collars because he is selling them at a loss in the United States, and that is one of the problems we have had to contend with in the United States, and for that reason, if you have noticed our advertisements in the United States, we are advertising for the first time a retail selling price in their street cars, newspaper copy, and so on, trying to establish the 20 cent price for the laundered collar, so the retail merchants will make a profit.

By Mr. Milne:

Q. Is it not a fact that soft collars are becoming more popular in this country where the prices are fixed? -A. There are more soft collars being worn to-day. Our laundered collar business is keeping up, to a greater extent in proportion, than the United States factory.

Q. It is because Mr. Pedlow has cut the price?—A. I want to say that Mr. Pedlow is the only one of the merchants we have in this country who has undertaken to sell collars at invoice price. I do not think Mr. Pedlow has very much merchandise in his store selling on that basis, or he could not stay in business.

By Mr. Gardiner:

Q. You made the admission that you sometimes sell under the cost of production?—A. No, if there is an oversupply of collars, and if at the end of the year there are some left, we have to get rid of them, and take a reduced price.

Q. If you are in a position to sell under the cost of production, do you not think the merchant who paid you his money for your collars should be privileged to the same extent, to sell them for the cost of production?—A. No, I do not, for this reason. I say that emphatically. As a matter of fact, we do not fix the price, and we cannot dictate to a man what he can sell his collars for, but we ask him to do so.

Q. When Mr. Pedlow sent in a repeat order for collars that he had been selling on a lower basis—A. We told him we preferred him to handle another brand of collars.

Q. Why?—A. We did not want to sell him any more collars for him to sell at the invoice price, because it was not fair to the merchants in his town. I like to feel that the merchants are at least going to make a small net profit on what they sell, and that price is fair to the consumer, and fair to the merchant, and I do not see why we should be unfair to the merchants.

Q. Do you think you are justified in that position?—A. Absolutely.

Q. Is this Dominion of ours not supposed to be a free country? They go to Europe and tell the peasants to come to Canada, that this is a free country, and yet you say a man cannot sell the stuff he buys, at his own price?—A. I say that he should not do anything of that sort that will harm other merchants.

Q. Then you are getting the same autocratic system they have in Europe? —A. No, that is a fair price to the consumer and the retailer.

Q. How do you know?—A. Because when that merchant sells that merchandise at less than 1 cent of a profit, he is losing money, and I think a profit of 1 cent is fair to the consumer and fair to the merchant.

Q. Do you know just exactly what the net profit is?—A. I have already stated so.

Q. That is your idea, but you do not know anything about it?—A. I do not know that I do not know anything about it. I have been twenty-five to thirty years in the business.

Q. That is all right, other people know something about it too?—A. Yes, possibly.

Q. Here is the position. On these collars for instance, you say it costs them 30 per cent to do business?—A. Yes.

Q. I want to say it does not cost anything of the sort.—A. I beg to differ with you, that is all.

Q. If it does cost that, they do not know anything about their business. —A. I will bring in ten or fifteen or twenty merchants from this city, who will tell you the same thing. I am only saying what it costs, I am not saying whether they know their business or not.

Q. If you make that admission it is a different proposition, but I may say it does not cost anything like 30 per cent, for this reason. Collars are a thing that do not very easily go out of style, there is no loss as far as style is concerned with regard to them, consequently the margin of profit should be relatively smaller than on the class of goods where style counts.—A. Let me ask you something. You are a merchant and in business, and you do $50,000 worth of business. In doing that $50,000 worth of business, it costs you $15,000, and that includes your collar sales?

Q. Yes?—A. At the end of the year you find that it cost you $15,000 to do business. The average marking up of a retail merchant is 50 per cent. I will go further than that and say that in some stores it goes up 60 per cent. I am taking it generally, and I am saying that the average cost to-day of doing business necessitates the marking up of goods purchased by the average retail store on men's furnishings of at least 50 per cent, and in some cases, Mr. Chairman, I find that merchants have got to mark up 60 per cent. That $50,000 includes your collar sales.

Q. Yes?—A. And it costs 30 per cent of that $50,000 to sell that merchandise, it has cost 30 per cent on the collars the same as on anything else.

Q. No, I do not think so.

By the Chairman:

Q. Mr. Stewart, let me just interject here. How many years of your long business experience have you spent in the retail business?—A. I have not spent any time in the retail business, but I have spent a great deal of my time in retail stores talking over business problems and conditions with the retail merchants. I guess, within the last six weeks, I have talked to around 150 merchants in all the important places from Port Arthur to Victoria, and have talked practically to every merchant in every town in those six weeks, and these are the problems I have talked about, I asked what his expenses were, and he showed me his books, and I found that in justice to the retail merchant, and when I say this, I say it having Mr. Pedlow right here, I believe the retail merchant is entitled to get at least a small return on the goods which he sells over the counter, and you can figure it any way you like, but when you sell an article and that article is included in your volume of sales for the year, and it has cost so much for the expenses during the year, say $15,000 on $50,000 worth of business, it costs you 30 per cent to sell these collars the same as a suit of clothes.

By Mr. Gardiner:

Q. No. Did you ever hear the term used in the business at all, what we call "bread and butter" stuff?—A. Yes, and I have gone into that many times.

Q. You understand the meaning of it?—A. I understand they figure they can sell the staple articles for less than other articles, but they have to put the price up on something else to make good the cost of doing business.

Q. Here is the point. Take the staple articles that practically sell themselves, and the cost of selling these articles is relatively much lower than the cost of other things.—A. And your expenses are all going on at the same time.

Q. Not at as fast a rate.—A. Your expenses are there, and your sales are there, that is what it is costing you, and that is what I find it is costing these merchants. I have looked into the question of whether there is anything that can be done whereby they can reduce the cost of doing business, and unfortunately it is going up all the time, with the high rent, high wages, and all expenses and lower sales.

By the Chairman:

Q. And then, of course, Mr. Stewart, if you refuse to sell to people who want to reduce the prices you rather encourage them to maintain the same high ratio?—A. No, sir, I do not. I do not agree with you, sir.

Q. That may not be your intention, but I think it is the fact.—A. No, as a merchant knowing something about it I could not agree with you on that at all.

Q. I do not know whether we can get very much further—.—A. There are some other matters I would like to bring up if you do not mind, because there were some statements made that I would like to go into, and one statement was brought up by Mr. Pedlow, when he said that there was a combine in the collar business, and he produced, I understand, notices from different collar manufacturers at different times to show that the price on collars changed at the same time, and therefore there must be a combine.

Q. Was it a pure coincidence?—A. Let me get through, please. You referred to the Williams, Greene & Rome Company a few minutes ago. Before there was any negotiation between the two companies, and at a time when collars were selling at $1.60 per dozen, Mr. Hodgins, S. F. Hodgins, who was the Vice-President of that company and production director, and who holds that position with our company to-day, came to me in Montreal and put the proposition to me of the necessity of advancing the price of collars. I said the price then was $1.60. That was in November of the year.

Q. What year?—A. I presume that would be somewhere around, perhaps, 1918, I could not say just exactly what year. I might say that it was three years after the war started before the price changed, and then it only changed 10 cents a dozen, then it went up gradually to $1.60 at this particular time. Mr. Hodgins put this proposition to me to have the price of collars changed. You will readily realize a concern like Williams, Greene & Rome could not advance the price of collars as long as our price was down, because, as I say, there is only one price of collars, and if they put the price up we would practically get most of their business.

Q. Collars were then selling to the consumer at—?—A. Three for 50 cents. I told Mr. Hodgins our price still showed a profit and that we would not change the price until it was necessary for us to do. He turned around and told me that we were keeping the price down to put them out of business, and

that he had just come from Troy, N.Y., and the impression amongst the manufacturers there was that we were also doing the same thing in Troy. I told him we were not doing anything of the kind and that our $1.60 price showed a profit, and as long as it did that we were not going to change the price. Our policy was to keep our price down as long as we possibly could, and Mr. Hodgins left me, and that was in November of the year, and the price of collars did not change until the 1st of July following. I will go further and say this—

Q. May I interject a question. Did you have any more interviews with Mr. Hodgins? A. Not in the meantime. I might say that having practically—I guess we probably had 85 or 90 per cent of the laundered collar business, and naturally the other manufacturers could not change their price, to a certain extent, unless we did. I want to tell you, Mr. Chairman, to-day, and for a period of one, two, or three years, I do not know what Tooke Brothers are selling their collars for, I could not tell you.

Q. I will make a guess, Mr. Stewart, that they are selling them at about the same price as you are.—A. I should not wonder. I am not through with this yet, because I want to convince you, Mr. Chairman and gentlemen, that while it would, on the face of it, be assumed that what Mr. Pedlow said was correct, I want to show you if I possibly can that the intimation or the statement he made as far as any combine in price is concerned is not correct. I will say this, and I do not think Mr. Pedlow will think this is out of line as far as merchandising is concerned, that when we did undertake to mark our price up, that we did advise the other manufacturers that we were doing it, merely as a matter of courtesy.

By the Chairman:

Q. That is just the same expression that the steamship men used the other day.—A. Now, sir, I am not in the steamship business, and I am just telling you my case.

Q. I am just telling you what a coincidence it is.—A. It was up to them, they could put the price up or down, whichever they liked. As far as Mr. Pedlow saying that everyone of these notices that went out was termed in exactly the same phrases is concerned, I would ask Mr. Pedlow if he had these here, and if so if he would put them before the Committee and see if they were the same. I think Mr. Pedlow will agree with me on this, that where there is only one price, where Mr. Pedlow might have only one brand in his store, because as a rule a merchant only carries one brand of a laundered collar, we notified the other manufacturers of our intention to raise the prices, as well as notifying the retailers, just as a merchandising proposition and being fair to the retail merchants, and it has been the same when the price came down. I think that was a fair proposition both to the consumer and the retailer, that when the price was changed you would have a notice of one sort or another. If the price was going to change, it would only be a question of twenty-four hours anyway, until everyone knew. We would be very careful not to give any intimation to one merchant that the price was going to change, so he would know about it and could buy a big stock of collars to-day, and another man would not know about it, and would have to pay a higher price. I think that was a fair proposition, to try and place everybody on the same level, and if the price changed to the manufacturer at the same time, and to the retail merchant, I think it was fair to the retail merchant and not unfair to the consumer.

APPENDIX No. 3

By the Chairman:

Q. May I interject a question here, Mr. Stewart?

Q. How did it come about that the notices, even if they were couched in different language could go out at the same time, establishing the same price from the three large manufacturers? A. When we saw the price was changed, I advised the other fellow that we were going to change it. If we did not tell them, our notice would go out and get into the trade to-day and it would only go to the trade just as to the other manufacturers, that the price was changed. I can tell you they were waiting for us to change, because we could keep on with our larger production and lower the price, and we could keep on longer than they could and get a larger percentage than they could get, so they were waiting for us to make the change.

Q. Could you keep on at the old price?—A. No, we always fixed it at the lower price when we possibly could. At that time Mr. Hodgins said we should get $2 for those collars. I said "we cannot help it."

Mr. PEDLOW: Might I ask Mr. Stewart a question?

The CHAIRMAN: You had better ask it through me, and I will ask him.

Mr. PEDLOW: I would like to ask Mr. Stewart if the fact of other concerns continuing to sell the collars at a lower price than the W. G. & R. had any desire to sell those collars at had any effect of crowding them out of the business and giving Cluett, Peabody and Company the control of the collar situation and giving them a chance to fix the price at which they should be sold.

The WITNESS: There was never any change in our policy. When we came into this country the merchant bought collars originally at $1.10 a dozen, the same as in the States.

Q. Did you set the price?—A. Yes. The price, that was three for 25 cents.

Mr. PEDLOW: At that time they were being sold by Tooke Brothers at $1.10.

By the Chairman:

Q. Do you feel that the price Williams, Greene and Rome wished you to charge, had anything to do with Williams, Greene and Rome going out of business?—A. I do not know, and Mr. Williams, I guess, would be the only man able to answer that, or Mr. Hodgins could, and if you wished to have him come I would be very glad to have him come. The reason Mr. Williams told us it was a fact, was that he had got to the time when he wished to retire from business.

Q. Just tell us what else you want to tell us.—A. In respect to re-sale, so far as the 25 cent price is concerned, I think Mr. Pedlow will agree with me that the retail merchant cannot charge more than 25 cents for our collars, if he wanted to do it. I will say further that English collars coming into this country are not branded. They come in made specially for certain merchants.

By Mr. Hammell:

Q. With the merchant's name on them?—A. Yes.

Q. Is there any other name on them? A. Welch-Margetson, I think, would put their name on them. That is the only instance I know of, where the firm's name is on the collars. They usually make them and put the merchant's name on them. That is no protection to the consumer or the retail merchant paying more than he should pay for the collars. In fact, you know that collars coming in lower than ours, are sold by the retailers at a higher price. There is no retailer can sell higher than our price, but even to-day, with the sales tax of 4½ per cent, the retail merchant I think is not getting the price he should get for his collars, to make it worth while to sell. He makes less than one cent on a

collar. I can prove it by hundreds of merchants from coast to coast, that they are losing money when they are selling them at 25 cents a piece. What I would like to feel, is to have the good will of Mr. Pedlow and others, because if our merchandise sold at a certain price, and if the merchants lose money on it, they don't want to handle it. It is hard enough for them to make a profit on the merchandise they sell during the year, and fifty per cent of the merchants today are backed up against the wall. 75 per cent of them cannot pay their bills promptly. They tell me in the city of Winnipeg that the merchants on Portage Avenue are $1,000,000 behind in that city. They cannot pay their rentals. One merchant told me "I have $100,000 worth of stock and in two days I did not take in enough to put in the safe." I want to tell you that for an hour and a half, the day I was leaving Winnipeg, I was in five of the stores on Portage Avenue, covering an hour and a half, and not one customer came in while I was in any one of stores during that time.

By Mr. Gardiner:

Q. I think that perhaps your observation is that there are too many people in the retail business to-day?—A. I do not know that I would say that, but what I do say is, after giving the matter very considerable consideration, that there are too many men starting business who should not be in business. Unfortunately too many men think they can start in business and make a success of it, because other men have done it, and they do not know anything about merchandising. They do not know how to make up their expenses, and they do not know how to figure profits, expenses or anything else. Those are the kind of merchants, sometimes, that Mr. Pedlow should not have to compete against, because he is a recognized merchant of many years standing.

Q. In other words, you get men in retail businesses who have had no particular training for that business?—A. Yes.

Q. You, as a manufacturer, have to go and bolster those men up to make them successful.—A. We have to do it sometimes, but we are turning them down every day. I had a man in my office the other day with $10,000, who wanted to go into business. I told him not to go unless he had two or three years experience.

Q. You do not train your men for distributive business, the same as they did years ago?—A. I think men who go into business should be able to say they are able to operate a business, and the legitimate merchant like Mr. Pedlow should not have men like that to compete against.

Q. Men like Mr. Pedlow have had an apprenticeship of four or five years for nothing, and perhaps paid a premium; and know the business from the top to the bottom, and understand approximately what it costs to sell collars?—A. Yes.

By the Chairman:

Q. Is there anything else you want to say?—A. I was going to say when the Food Board was disolved, Dr. McFall called me up and said he was getting complaints that we were dictating the price of collars. I explained the whole situation and he said "Mr. Stewart, I will give you a clean bill of health."

By Mr. Gardiner:

Q. Was he a doctor?—A. Yes, Dr. McFall.

Q. I can quite understand him doing that.—A. Well he was put there for that purpose. I suppose it is up to him—

By Mr. Sales:

Q. What doctors and clergymen do not know about that business, would fill a book.—A. I will shake hands with you on that. There is one thing I would like to mention, that is, in my opinion it is very unfortunate, and we all know that the farmer is getting a low price for what he produces, and he cannot understand why he has to pay such a high price for what he gets.

Q. That is not right. We are getting a good price for wheat now. A dollar a bushel is as much as the working man can afford to pay.—A. I will make my case a little more extreme. I was just going to explain to you this, and I think you will agree with me in what I say, that the farmer of the south is getting three times the price for his cotton that he was getting in 1921.

Q. I do not know anything about cotton.—A. That is what we make our garments out of. We have to make them out of cotton and wool. Wool has advanced more than 100 per cent in the last twelve months, but the price of cotton we use in our manufacture of collars, which are made from cotton, runs from ten and ten and one half up to thirty-two cents within a few days. Practically three times the price.

By the Chairman:

Q. Has cotton cloth varied to some extent?—A. We should have all our cotton bought for our line for 1924, for January 1924, for our spring orders, for spring delivery to the merchants. We have not bought it yet, because the price of piece goods is so high that I think it would be poor business to buy it. It would mean that the last quotation we have had from the mills, that even the moderate priced shirts would have to be advanced $3.00 a dozen, and I think if the merchant bought them, I do not think the consumer would buy. I the meantime, that is what we have to contend with.

Q. Are you referring to the Canadian Cotton Mills?—A. I am not here to speak for them, but I want to tell you that I found them very fair. We buy largely from two cotton mills, The Dominion Textile and the Canadian Cotton. In many cases, since the middle of the war, their prices to us have been lower than the prices our company have been paying for similar material in the United States.

Q. Is that not an argument against you charging more for your collars? —A. I am talking about shirts at the moment. They have not got the equipment to make the specialized materials we have made for our collars, which has to be made specially, specially shrunken and specially finished. They are not equipped with that machinery yet, but some day they will have it. Naturally when they want to order any equipment it takes them a couple of years to get it in. I will not go further than this, but we are trying to be fair to the merchants and the consumers in this country. In the United States to-day the soft collars are selling to the consumer at three for $1.00. Our price to the retailer is $2.60, and it is three for $1.00 to the consumer, just exactly the same. How is that made possible? The fabric that we are making that collar from, and the price that we are getting that cloth for, is slightly less than the American price, and while there is a little extra cost on account of production, we do not pay any more for labour, and we can sell that collar to the merchants in this country at $2.60 a dozen, to be retailed to the consumer at 3 for $1.00, the same price as in the United States. We found that we could not get that fabric low enough to make it a profitable proposition at 25 cents in this country, and it would mean doubling up the stock for the retailer, and doubling our stocks, and we would not make it here, but the price we got that cotton for in the Canadian mills was low enough to

enable us to sell at $2.60 a dozen. I mention that in fairness to the cotton mills, to show that conditions are changed.

By Mr. Gardiner:

Q. Like some other commodities that are sold abroad, could you sell your goods cheaper in the United States?—A. In our business we could not do it, but what I would say is this, that the day that we can buy our laundered collar materials here, and get them at a price which will be comparative with what they are paying in the United States (and I think some day we will) our price for collars will be exactly the same as in the United States.

By the Chairman:

Q. And then you will adopt what price?—A. Twenty cents. I think that is a fair proposition.

Q. And will you let the retailer sell for what price he likes?—A. No. I think the retail selling price is a fair proposition to the merchant and to the consumer, and we want to be fair to the merchant as well as to the consumer. It would be fair to us in any case, because we get the price for the collar in any event.

By Mr. Sales:

Q. How do you suppose the farmer, who must sell his products in the markets of the world how do you suppose he is going to do that meet bargain prices in the markets of the world, and buy anything that he consumes at a fixed price?—A. I tell you, when the farmers of this country had a fixed price for wheat set on the wheat board, we only fixed the price of collars at that time.

Q. That is not an answer to my question.—A. I was merely putting the boot on the other foot.

Q. We had that fixed price for a very short period. We have reason to believe that the price of wheat was fixed to keep it from going up.—A. It was a pretty fair price. I want the farmer to get everything that is coming to him. I will say this: It is only within the last few days that I had a conversation with Mr. E. T. Meredith, who was secretary of the Department of Agriculture in the Wilson cabinet, and he had a plan, and he says it is sound, and I believe it is, to put up to the American people, that when the seeding is put in, the American Government will say that the American is going to pay such a price for the wheat in the Fall.

By the Chairman:

Q. Let us return to the collars.—A. I have other matters to discuss, but I am sorry I have not the time to take them up. They are really important, but I will pass them, and there were some items, Mr. Chairman, which I wanted to refer to in the evidence given by Mr. Sparks. There were some very important points brought out there that I had marked to take up.

Q. Are you going to take them up?—A. For instance, Mr. Sparks and I were the two men who ran this fixture show that was talked about. I have the greatest admiration for the work he is doing, but on an important phase of the situation I am not in accord with him, and that is, I do not believe in what he says about the travelling salesman. It is a very important thing. I would just like to state our case, and what the average manufacturer has to look after.

Q. The Committee does not want to sit any later now, and if you would care to come back to-morrow morning, we would be glad to hear you.——A. I would like to go to Montreal to-morrow morning, but I will come back from Montreal.

Q. We do not want to put you about, but if you think it is of sufficient importance, we will be glad to try and find time to hear you. I must say we are finding it difficult to get over the ground. If it is just a difference of opinion between you and Mr. Sparks—.—A. I would like to say that as regards the 12 per cent, in so far as we are concerned, I think his statement is correct. I think the average salesman who cannot make three or four thousand dollars a year is not worth anything to a concern. It should not cost us any more than 5 per cent for travelling salesmen's salaries and commissions, and I believe sir, that if it was a question of bringing all the merchants into the market from all over this country, it would cost the merchants more than 5 per cent to come East and make their purchases, so I think really, from my point of view, that question of calling on the merchants all over the country is really the wisest, and the lowest priced basis on which merchandise can be sold to them.

The Chairman: The Committee stands adjourned until 11 o'clock a.m. on Wednesday.

The Committee adjourned until 11 a.m. on Wednesday May 2nd.

House of Commons,
Committee Room 268,
Tuesday, May 2, 1923.

The Special Committee appointed to inquire into agricultural conditions throughout Canada, met at 11.00 a.m. Mr. McMaster, the Chairman, presiding.

Thomas Bradshaw called and sworn.

By the Chairman:

Q. What is your full name?—A. Thomas Bradshaw.

Q. And you are connected with what company?—A. The Massey-Harris Company, Limited, of Toronto.

Q. And what is your official position with that company?—A. General Manager.

Q. You are familiar, no doubt, with the costs of your production, and you are familiar with the broad lines of your business, Mr. Bradshaw?—A. Fairly so.

Q. Could you tell us whether your company is shipping agricultural implements into the United States at this time?—A. Yes.

Q. Could you tell us what were the exports of Canadian-made farm machinery implements into the United States, say in the last fifteen months? That would be last year, and as far as this year has gone?—A. I have not got these figures, Mr. Chairman, I could not give them to you.

Q. Could you give us some idea of what they were last year?—A. Of our own shipments?

Q. Yes.—A. I would think about $50,000 or $60,000 worth.

Q. That would be composed mostly of what machines, sir?—A. Practically one machine.

Q. What was that?—A. A machine which we do not use in Canada, namely, the Reaper Thresher.

Q. And there is no demand for it in Canada at all?—A. No. The climatic conditions do not permit of its being utilized in this country by the farmer.

Q. Why do you make it in this country?—A. Because we have been the pioneer in that machine for the past twenty-five or thirty years. The machine was practically introduced by us in Australia, where practically all the harvesting is done by that machine, and then we have made it for the Argentine.

Q. You have factories in the United States?—A. We have an interest in one factory in the United States. We do not own it entirely.

Q. To what extent? A. We own about, I should think, in the neighbourhood of 70 per cent of the stock in it.

Q. A very substantial interest?—A. Yes.

Q. You have the controlling interest, and you elect the Board of Directors? —A. Yes.

Q. What is the name of that company?—A. The Massey-Harris Harvesting Company, at Batavia, New York State.

Q. It is interesting to us investigating into these matters to know why, if there is no market in Canada for this machine, you manufacture it in Canada, instead of manufacturing it at your New York plant?—A. Our New York plant is a small plant, and is not capable of manufacturing this large machine. It is a major machine, and they have not had the experience. It is a highly technical machine. It has been developed by us for a great number of years, and is essentially a machine that we are capable of manufacturing here.

Q. What is the size of your Batavia plant as compared to your Toronto plant? A. We have also a plant, I might say, in Brantford, which is really part of the Toronto plant.

Q. Is your Toronto plant the larger of the Canadian plants?—A. Yes.

Q. Well then, will you compare the size of your Batavia plant with your Toronto plant?—A. I would think in the neighbourhood of one-quarter or one-fifth.

Q. How many men do you employ in Batavia?—A. Well, in the neighbourhood of six to seven hundred men. That varies according to the seasons, you know.

Q. That is about what you employ most of the time. I should say that a factory— you will correct me if I am wrong—that a factory employing six or seven hundred men, would be an organization large enough to produce on a fairly economical basis.—A. It should be.

Q. Do you find that your costs of production in Toronto are lower than your costs of production in Batavia?—A. They run about the same.

Q. They run about the same? I should judge from your answer that there was just some slight advantage on one side or the other?—A. I would think that the Batavia plant on certain machines only has the advantage. I would not say that in all machines it has.

Q. On certain machines it has an advantage, and on certain machines the Toronto factory has the advantage?—A. Yes.

Q. And I suppose on these machines which you ship to the United States, it is found cheaper to manufacture in Toronto instead of Batavia?—A. Well, the heavy class of machinery that is involved in the manufacture of this large machine is very costly, and we have never contemplated the equipping of our Batavia factory with machinery to manufacture it.

Q. Now, when did you establish your plant in Batavia?—A. It is an old plant that has been running I should think for sixty or seventy years, and the interest in it was acquired by us some thirteen or fourteen years ago.

Q. Would it be disclosing any business secret if we asked you to disclose why you acquired the interest in this plant?—A. Unfortunately, I have not been with my company very long, and I can only tell you what I have heard.

I understood that it was acquired in the light of possible tariff changes in Canada.

Q. Well now, why should that be an inducement for you to go and establish a plant in the United States?—A. Well, the thought was that the tariff would be greatly reduced, I presume.

Q. And that you would be able to manufacture in the States cheaper, and ship into Canada. Is that the idea?—A. I cannot say whether that is the case or not. There is another reason also, and that is, it was pretty near the seaboard, and it had a rather profitable farming business, and it was thought our farming business might be assisted also by the acquisition of that plant.

Q. Do I correctly gather from your evidence that it costs your company about the same amount to manufacture their machinery in the United States and in Canada?—A. I will not say all our machines, because that is not the case, but some machines are manufactured more cheaply in the States than they are in Toronto, and vice versa. Mr. Chairman, might I just interrupt a moment there?

Q. Certainly.—A. I have been trying to read the evidence brought before this Committee, and I think that I have some information that will be helpful to the Committee, at least, that is the way I have tried to bring this material together, and in order that it may be brought before you consecutively and logically, I wonder whether I might not be permitted to unfold the story, as it were, and tell you all that I know.

Q. Yes; it will no doubt interest us.—A. From the evidence which has been given here I thought probably you would like to have it.

Q. That is what you are here for. We do not want to interfere with you in the way in which you wish to present your case. I will cease questioning you, and you proceed with your statement, only I must warn you that, with the best will in the world, we will be interrupting you from time to time.—A. I appreciate it, and I think we will get along very well if I may be just permitted to proceed. I would like to say by way of introduction that, although your request that a representative of the company should attend to-day's meeting of your Committee, and submit certain information, was only received on Monday, yet, while it has been found absolutely impossible to present all the information which your wire indicated, we are glad to assist your Committee in any way that we possibly can in an endeavour to arrive at ways and means which may be helpful to the farmers of this country, in whose welfare our company is deeply concerned, and with whom we have been co-labourers for over seventy-four years, in an endeavour to develop the agricultural resources of the country, and to improve agricultural conditions by the development and the production of efficient and suitable farm implements. Now, in the evidence submitted to this Committee, there have been from time to time references to the prices of agricultural implements, and it may have been inferred that we were unreasonable, and that that might have been a contributing cause to the present agricultural depression. We were asked by representatives of farmers' organizations to furnish the relative price of certain implements for the years 1913 and 1923 to this Committee. This we were very glad to do, but we asked that in their presentation certain explanations which we made should also be given, so that you could arrive at fair and correct conclusions. For some reason our request was not complied with, and therefore we much appreciate this opportunity of coming before you, and presenting these facts, which we hope will be helpful.

Q. Your memorandum as to prices is in our record, although it may not be in the printed record.—A. It was given, Mr. Chairman, to a witness who appeared before you, and we asked that witness, when he was giving com-

parative prices, to also give the information which we gave to him. It is not the information that was given to the Dominion Bureau of Statistics.

Q. I would like you to realize this, Mr. Bradshaw, that Mr. Horning, the Chief of the Internal Trade Branch, prepared these figures for us, and that he submitted along with the figures which you have given us a memorandum stating that in connection with statements of implement prices attached, the firms from whom this information has been procured have made a request that they desire to submit a supplementary explanation as to the prices. Is that your memorandum? —A. Only in part. That was given to the Dominion Bureau of Statistics.

Q. I want to make this perfectly clear. That memorandum was printed along with the figures?—A. Yes.

Q. I want you to be perfectly certain of this fact that the Department kept absolute faith with you and printed this memorandum exactly as you have it, and I may say further that when I inquired of Mr. Horning from what company this memorandum had come, I think it was accompanied with index numbers showing the gradual rise and fall of farm implement prices—I asked Mr. Horning to tell me what company had furnished this, and he told me that under the law they had no right to give it to me, and I only learned this morning that it came from your company.—A. I am not complaining about that, but what I do say is that the witness who appeared before you, representing the farmers' organization, and gave comparative prices, was asked to supply your committee with that information, which he did not do. It is not the Department I am questioning, but it is the witness who appeared before you. There has been, unfortunately, an idea abroad that implement companies and farmers are antagonistic towards each other. On the contrary, we have always considered that they have mutual interests, and are well aware that our prosperity is closely interwoven with that of the farmer. Whenever it has been possible, through a reduction in manufacturing or other costs, to sell for lower prices, the farmer has been given this advantage. For example, when the domestic drawback was put into effect some time ago, Western binder prices were immediately reduced to the full extent of the saving. Another illustration of the fact that reductions in elements which affect our cost are passed on to the farmer occured in December, 1921, when there was a slight reduction in freight rates, and some reduction in the cost of raw materials (which has since been swept away), and for 1922 we reduced our prices on the average from 20 to 25 per cent. Could we sell our implements for less than we are doing to-day, we should be the very first to do so since we know that, not only would the farmer benefit, but we ourselves would also benefit through increased volume of sales. I just wanted to refer to the condition of the manufacturer of farm implements. Much has been said concerning the depressed condition of farming in Canada. It is believed, however, from reports made from time to time, that the agriculturists of the United States, Great Britain and other countries, have suffered to an even greater extent. I might say that I have only just recently returned from Europe, and the conditions of agriculture in Europe and in Great Britain are very bad.

By Mr. Sales:

Q. Were you in Germany?—A. No, I was in Hungary, Roumania; I was in Italy, but I had our man from Germany come down to see me, and I spent four or five days with him.

Q. And what was his report?—A. A remarkable condition. The farmers of Germany were never so prosperous in the whole of their career. He accounts for it in this way. Before the war, and during the war, the farmers unfor-

tunately had to borrow moneys on their farms, and on their chattels. These borrowings and loans were contracted in marks, and were repayable in marks. The farmer's produce has mounted tremendously in marks. For example, when he used to get maybe four or five marks for a bushel of wheat, he is now getting 1,000 marks for a bushel of wheat, and he is paying his debts off with the increased number of marks which he is now receiving for his produce. His debts, of course, were contracted when the mark was at its normal, and he tells me further that the farmers of Germany are buying automobiles, pianos, and all kinds of luxuries.

Q. Are they building new buildings?—A. He did not mention buildings, but that is the condition there.

Q. This inflation of credit, and the state in which we think Germany is in to-day, is not true—internally.—A. I believe that to be the case.

By the Chairman:

Q. As a matter of fact, Mr. Bradshaw, the people who hold those farm mortgages which they are having paid to them in marks, which are worth probably 100th of what they were before, their condition is not so good?—A. Their condition is very critical.

Q. Is that not true of all people who are relying on income?—A. For the fixed income, yes, excepting the workmen, who receive a great number of marks.

By Mr. Sales:

Q. The fact is that the idle rich will have to go to work to be able to live? —A. They have got to do something. Not much, however, has been said by the ally of the farmer, the one who has endeavoured to furnish him with modern efficient, time-saving and labour-saving machinery—the implement manufacturer. His situation up to the present has been borne with little complaint, because it was realized that his problem could only be worked out as the farmer's problem is worked out, but as comparisons have been instituted, and the impression appears to have been given from the evidence which has been presented to your committee, that these hardships and losses have been all on one side, I respectfully beg to submit the record for the past two years of fourteen of the representative agricultural implement companies of the United States and Canada in respect to their financial operations. The names of the companies are not given, but I would be glad to furnish this information to any member of this committee who desired to receive it, but not for publication, for fear that injury might be done to some of these institutions. This statement comprises six Canadian and eight United States concerns. It shows that in 1921 the total capital invested in all of these companies amounted to $435,000,000.

EXHIBIT No. 113

INVESTED CAPITAL AND RESULTS OF FINANCIAL OPERATIONS OF FOURTEEN UNITED STATES AND CANADIAN AGRICULTURAL MACHINERY COMPANIES FOR YEARS 1921 AND 1922

Company Number	Capital Invested including Bonded Indebtedness		Result of Operation				Percent on Capital Invested			
	1921	1922	1921		1922		1921		1922	
			Profit	Loss	Profit	Loss	Profit	Loss	Profit	Loss
1	28,514,000	28,277,000		1,964,000	137,000			6·89	0·48	
2	9,172,000	8,058,000		259,000		714,000		2·82		8·86
3	7,968,000	6,677,000		1,519,000		991,000		19·06		14·84
4	743,000	640,000		156,000		98,000		21·00		15·31
5	27,623,000	27,317,000		1,283,000	321,000			4·64	1·17	
6	13,217,000	12,968,000		65,000	10,000			·49	·08	
7	74,994,000	71,106,000		2,753,000		2,521,000		3·67		3.55
8	20,888,000	18,493,000		3,309,000		2,446,000		15·84		13·23
9	1,542,000	1,483,000		215,000	1,000			13·94	·07	
10	213,866,000	210,343,000	4,150,000		5,541,000		1·94		2·63	
11	25,980,000	25,277,000		1,288,000		526,000		4·96		2·08
12	6,644,000	5,966,000		786,000		332,000		11·83		5·56
13	890,000	874,000	48,000		17,000		5·39		1·95	
14	3,021,000	2,825,000	6,000			137,000	·20			4·85
	435,062,000	420,304,000	4,204,000	13,597,000	6,027,000	7,765,000				

Net Loss—1921 9,393,000 Net Loss—1921 2·16% on Capital Invested.
Net Loss—1922 1,738,000 Net Loss—1922 ·41% on Capital Invested.

By the Chairman:

Q. Would you divide that up between Canada and the United States?—A. I will try to, although I might say, Mr. Chairman, that I have not included all of the Canadian companies or all of the American companies. The net result of their operations, represented a loss of $9,393,000 or 2.16 per cent on the capital invested. Only three of the companies made a profit, that in one case being under 2 per cent, and in another case 5⅓ per cent.

By Mr. Sales:

Q. Canadian companies or American companies?—A. There was only one Canadian company, and it made a profit of one-fifth of 1 per cent.

By the Chairman:

Q. It was a well managed company. Modesty would forbid you answering the question.—A. No. I might say that it is not my own company, at all events.

Q. Continue, Mr. Bradshaw, please.—A. In the year 1922 these fourteen companies had capital invested amounting to $420,304,000, and in that period instead of making a profit they again sustained a loss, which amounted to $1,738,000, or about one-half of one per cent on the capital invested.

Q. Let me interject a few questions here. You say the capital included the bonded indebtedness?—A. Yes.

Q. Does the capital all represent money invested in the business?—A. I believe it does, every dollar, as it does in our own company.

Q. Yours is rather an exception to the ordinary big company, if your capital represents dollar for dollar?—A. I do not mind quoting our own figures, although we do not care about having them heralded abroad through the Press.

Q. But yours is really a national institution, and we are all interested in what you do. So you must not have too great a desire to keep it to yourselves.—A. I am glad to hear you say that, Mr. Chairman, because we want friends. In my own company, which is No. 11, Mr. Chairman, we had a capital invested in 1921 of nearly $26,000,000. In that year we lost $1,288,000.

Q. Were you able to take that out of the reserve?—A. Yes, we were able to take it out of the reserve of the past year. That was the way it was done. The next year, the year we have just closed, we had capital invested amounting to $25,277,000, and our loss on our year's operations amounted to $526,000.

Q. You took that out of reserve, too?- A. We took that out of reserve also.

Q. Where did you show your reserve before; was it in that $25,980,000?—A. Yes, sir.

Q. So that it was capital invested, including bonded indebtedness?—A. Yes.

Q. The reserve would not represent capital?—A. I should not say reserve, I should say surplus. We took it out of surplus.

Q. Is your surplus represented in that $25,000,000?—A. Yes.

Q. So that it would be hardly fresh money?—A. It was money in the company, for the use of the operations of the company.

Q. It represents the profits of invested capital?—A. It belongs to the shareholders, the same as the capital does.

Q. It belongs to the shareholders, of course, but the original capital came from the shareholders' pockets?—A. Yes.

Q. And if you made a profitable year, the profits came from it?—A. Yes, but it is part of the shareholders' money.

By Mr. Sales:

Q. It came from your customers?—A. It came from the working men as much as the customers. It came from the operations of the company. It came from my efforts, the same as other people's efforts.

Q. But the customer pays for all your efforts?—A. Yes, and we pay for all of our raw material.

Q. And the customer again pays for your raw material?—A. Just the same as I buy my wheat from the farmer.

By the Chairman:

Q. This is very interesting, Mr. Bradshaw, and we are glad to have these facts put before us. We are not glad because we know the record of the operations during the last two years, but of course to establish whether the business is a good business we would want to take more than the last two years?—A. Mr. Chairman, what I want to prove is this, and it is only what I want to prove, that the company could not be in existence to-day unless it had been prosperous. We would not be furnishing to the farmers to-day agricultural machinery unless we had been prosperous. Do you want companies in this country that are not prosperous?

Q. No, certainly not.—A. Therefore it must be admitted that the Company has been prosperous in the past. Unfortunately other companies have not been. The mortality among those companies has been awful.

Q. We will begin to think that this is an undertaking establishment. Yesterday we had a shoe man telling us what a terrible mortality there is among the shoe men; now you come and tell us what a terrible mortality there is among the implement manufacturers. There was a gentleman who came here the other day and told us about the mortality there was among clothing companies.

WITNESS: Likewise the makers of agricultural implements. They are in the same way. We are all tied up together.

By Mr. Sales:

Q. With this difference, that out of your dealings with the farmers you have been able to build up reserves which are carrying you through this period, but the farmer is not able to do that?—A. Well, Mr. Sales, I have been going through Western Canada ever since 1897, and I have a very intimate knowledge of the West and of the farmers of the West. If you will compare the conditions in 1897 with those of to-day, I think you will have to admit that the farmers of Western Canada have out of their reserves of past years built up a very magnificent estate in many instances, and it is only out of the reserves they have been able to do so. I have read that one man came before your Committee and said that he landed in this country with two sovereigns in his pocket, and to-day he is the owner of a vast estate in Western Canada.

By the Chairman:

Q. Looking at No. 10 on that list, they are the largest of all?—A. Yes.

Q. And even in the last two years they made quite handsome and substantial profits?—A. Not handsome in view of the capital. What they made in 1921 was less than two per cent on their capital. In 1922 they made two and six-tenths of one per cent. Now, Mr. Chairman, that Company does not only manufacture agricultural implements, it manufactures a great many other things. Last year the statement was made by the President of that concern that not one dollar was made out of the American business of that concern. They manufacture binder twine, they manufacture auto trucks, which are sold, not to the farmer only, because a very small number would be sold to farmers. They manufacture tractors, not for the farmer only but for others. I have been led to believe that that Company did not make its money in 1921 and 1922 out of agricultural machinery.

Q. I do not know whether the same advice that the farmers have been getting from all sides with a considerable amount of force, that they should go into diversified farming, should not apply in this case, and that you should go into diversified manufacturing.—A. Well, it is pretty hard to find capital to carry on what we are doing sometimes.

By Mr. Elliott:

Q. In 1921 your Company lost how much money?—A. $1,288,000.

Q. During that year did you continue to operate your factory the whole year, when you found you were losing money? —A. Not the whole year.

Q. You closed down your works?—A. We had to do that.

Q. Was it because you were losing money?—A. No, it was because the demand for our implements was not present.

Q. Was that not for the reason that you had raised your prices, and that the farmers were not able to pay them?—A. I could not say whether or not the farmer was not able to pay them. I presume it was because the farmer was not able in his condition to buy as many new implements as he used to buy, also due of course to the stagnant condition of the farming business. I might say this further, Mr. Chairman and gentlemen, that practically none of those companies are to-day paying dividends. We ourselves have not paid a dividend for two years.

From the foregoing it will be realized that implement companies have suffered equally with the farmer in the depressed conditions which have been experienced, and that the suggestion that large profits have been made and that inordinate prices for their product have been charged have no foundation.

By Mr. Sales:

Q. Strike that word "equally" out.—A. I will do that with pleasure, sir. I will say "have suffered".

By the Chairman:

Q. Say "have suffered along with".—A. All right. I will put it that way. It is impossible to prove that, but I am quite willing to accept the amendment if you think I should do so.

It might be interesting in this connection to quote the views of the directors of the United Grain Growers Limited of Winnipeg, as stated by the General Manager in his annual report for 1920-21, after a study had been made of the problem of manufacturing agricultural machinery in the United States and Canada:

> "There has been a good deal of agitation during the past few years for the company to either purchase or secure the controlling interest in a machinery manufacturing plant. After a study of the situation which exists in the manufacturing of machinery in the United States and Canada"—

At that time, Mr. Chairman and gentlemen, the Grain Growers Limited had under consideration the advisability of investing moneys in an agricultural machinery manufacturing plant. I understand that two or three of their directors visited various plants in the United States and Canada, and this is the plan which was reached:

> "There has been a good deal of agitation during the past few years for the company to either purchase or secure the controlling interest in a machinery manufacturing plant. After a study of the situation which exists in the manufacturing of machinery in the United States and Canada over a period of between two and three years, we are of the opinion that it would be a mistake for the company to consider putting any money into a plant for the manufacture of farm machinery."

I might say, Mr. Chairman, that I thought the conclusion was a very wise one. I would like now to break away from the manufacturing and go on to distribution.

Q. Before you do that, would you have any objection to submitting to the Committee to accompany Exhibit No. 113, a statement showing the results of these companies, if they are available, or at least of those companies which are available say for the last ten-year period?—A. I would like first of all to consider that, Mr. Chairman, if I might, to see whether I can get the information.

Q. You can get it for your own company without the slightest trouble?—A. Yes.

Q. You have come before us and placed statements before us to the effect that your company lost substantial sums of money in the last two years?—A. Yes.

Q. Along with that, including those two years in the ten-year period, I would like to have from you a statement made for the last ten years.—A. Yes. Mr. Chairman, will you let me consider that question and I will keep it in mind. I will not overlook it.

Q. I think I will ask you to prepare that, Mr. Bradshaw.—A. All right. I would like to speak now about the losses in distribution. That the conduct of the agricultural implement business is fraught with much difficulty and, not infrequently, heavy losses, is evidenced by the fact that even the United Grain

Growers Limited, with their well known efficiency, suffered losses in their turnover of farm machinery and supplies. For example, in the year 1918-19 it suffered a loss of $19,426, in 1919-20 it suffered a loss of $52,070, in 1920-21 it suffered a loss of $282,303, and in 1921-22 there was experienced what is described by the President as a very heavy loss, although the figures were not given. Owing to these heavy losses this company has since discontinued the handling of implements. Just quoting from their annual report in this connection, it is interesting to learn what was stated in the President's address:

> "The Machinery and Supplies Department of the business shows a heavy loss in the year's operations. It will be recalled that this phase of the business was entered into with the sole purpose of bringing about, if possible, lower prices to our shareholders and other farmers in the various machines they require for their farming operations, and in many other lines of supplies as well. This, as you know, was done on quite a large scale. In order to get satisfactory service, warehouses were built by the company in Calgary and Winnipeg, and leased in Edmonton, Saskatoon and Regina. Providing the necessary staffs for these and for carrying on the business in a mail order way necessitated a heavy expense. The directors have come to the conclusion that as far as farm machinery is concerned, and several other lines of farm supplies, it is not practicable to carry this along on a mail order cash basis. The very serious condition of the Western farmers in the last few years reduced their purchasing power to the lowest possible point, and the company, obliged to carry stocks purchased necessarily at high prices to meet this, was unable to dispose of them and had to reduce the prices to where they were sold at a loss in order to clear them out."

By Mr. Sales:

Q. Do you read their annual reports from year to year?—A. Carefully.

Q. Do you remember the one in which they described the amount of duty and the introduction of the dumping clause?—A. No. That may have been before I was actively engaged in connection with the business.

Q. How long have you been in the business?—A. About three or four years.

Q. It was since that.—A. It is interesting to know that, because I will submit that to the Committee.

Q. Your company would not be associated with the United Grain Growers? —A. No, sir.

Q. Nor with any other company?—A. For very good reasons.

Q. They had to pay as high as 70 per cent in some cases on machinery, and there was no wonder that they found the business impossible, under those conditions?—A. I would like to explain the reason why the Massey-Harris Company, Limited, could not sell to the United Grain Growers Limited. The Massey-Harris Company has built up over a period of 74 years an agency organization. It has in Canada approximately 3,500 agents, it markets its product direct from the factory to the consumer through its own agents, not through middlemen or middle concerns. If we attempted to sell, or if we sold to the United Grain Growers Limited or any other middle concern, it would be impossible for us to control the prices of our goods to the farmer, as it would mean that the United Grain Growers Limited and other concerns could charge any prices they liked to the farmer for our goods. It would spoil the whole of our agency organization, and their agents would be in competition with ours. The result therefore would have been, if we had sold to them and had experienced the same conditions as they have experienced, we would have ruined our

organization, and they would have been out of business as well. That is the reason why we could not sell to the United Grain Growers or any other organization in Canada.

By the Chairman:

Q. Would you have contemplated that they would cut prices if they had received the goods they wished to buy from you?—A. We would have had no control over the prices. They might have cut them, or they might have increased them. What they would have done would be to destroy our own organization, which we had taken 74 years to build up, and which we are not willing to sacrifice for any concern in Canada. The President in the annual report went on to say:

> "After a careful survey of the whole situation the Board, as already stated, decided to close out the handling of farm machinery, and the prices and values of existing stock have been reduced to a point where we believe they can be cleared without further loss.
>
> "You will recall that provision was made last year of $100,000 by way of a contingency reserve. This contingency reserve has been applied to caring for part of the depreciation in value that has taken place in twine, machinery and other supplies carried by the Company."

There is also one further quotation which I will make and it is the last one, because it bears upon the question of prices:

> "The total sales in this Department amounted to $2,838,424.44, as compared with $4,676,918.86 the previous year. The gross revenue during the year amounted to $182,276.27, as compared with $428,961.92 the previous year. These figures are hardly comparative as during the year your Directors decided to cut the price of machinery 40 per cent, the loss resulting therefrom being absorbed in the operation of this Department."

Could anything be done that would disturb the business more than that? If we had sold to them their implements and we were subjected to such a condition as that, where would our organization be?

By Mr. Sales:

Q. It would never have occurred.—A. I am only taking the facts.

Q. The situation was this, Mr. Bradshaw, that owing to the duty, the Dumping Act and the enforcement of another Dumping Act last year they decided to get out of the business and clean it up, and to that end they made the reduction and sold out.—A. In reply to that, we can only judge of the situation by the actual facts which have occurred.

By the Chairman:

Q. I hope I may hold the balance evenly between you two gentlemen. The Grain Growers hardly had a fair chance to show what they could do as distributors, as one of the greatest and one of the best managed companies in that line of business refused to sell to them; under those circumstances they could hardly have a fair chance?—A. In making that statement, Mr. Chairman, have you considered what I have said to you?

Q. I am not saying whether your explanation is a satisfactory explanation or not. The point I am making is that it is unfair to point to what the Grain Growers did to show what would have happened had you sold to them. Had you sold to them they might possibly not have found themselves obliged to

close up and sell out their stock, in view of the closing?—A. I would like to refer you to some of the elements which have affected prices coming right down to present prices. I want to say that we are not antagonistic to the United Grain Growers, not at all. We would be sorry if any impression got abroad of that kind. I am only quoting what has taken place, to indicate to you the difficulties associated with the business. I have the greatest respect and admiration for the persons conducting the United Grain Growers. I have gone over their reports, not only from year to year, but I have seen a table of their earnings, and I want to congratulate very heartily the magnificent management which has produced such wonderful earnings. I do not know of any concern that has on the average been so satisfactorily managed from the point of view of earnings as the United Grain Growers Limited.

Touching on the subject of factory equipment, let me say that in 1913 it was possible for us to buy (f.o.b. point of shipment) a "Spindle Wood Shaper" for $161, in 1923 it cost $396, or 146 per cent more. Ten years ago a 20-inch double end wood lathe cost $78, to-day its price is $225, an increase of 188 per cent.

Q. Before you go to the next point, what duty would you have to pay on that 20-inch double end wood lathe?—A. I have not the duty here, Mr. Chairman, but there is an important duty.

Q. Would it be about 35 per cent?—A. I did not bring down the figures for the duty, but there is a substantial duty I know.

By Mr. Sales:

Q. You cannot make these tools in Canada?—A. Not all of them. Some are made in Canada, but most of them are made in the States. When we can buy them in Canada, we always do so.

Q. Why can you not make those tools in Canada?—A. For this reason; they are produced in the United States in great quantities as compared with the limited quantities produced in Canada. Again, they have better steel material over there than we have in Canada.

Q. They make them cheaper than we can make them, so we let them go on making them; is that the idea?—A. Mass production means a great deal in the cost, Mr. Sales.

Q. But they make them cheaper than we can, so we let them make them? - A. I would not say Yes to that without an explanation. There is no use saying Yes or No to a question unless you get a full statement. You might say, Why not make Ford cars in Canada and all parts of them? They can make them cheaper over there, because they make them in hundreds of thousands as compared with our making them here in thousands.

Q. I agree with you—and that we should let them make them.—A. If that applied to everything, we would make nothing in Canada. Ten years ago a twenty-inch double end wood lathe cost us $78, to-day its price is $225, an increase of 188 per cent.

By Hon. Mr. Sinclair:

Q. What is the life of these machines?—A. The life of these machines varies according to use. I would say about from 7 to 10 years. The same condition holds with our iron-working machines. A drilling machine which cost $120 in 1913 is now worth $285, or 137 per cent more. A milling machine has increased from $1,170 to $2,295 or 96 per cent; a lathe is two and a half times as much; and a crank shaper $945 as compared with $410 a decade ago. It is constantly necessary to replace or supplement our equipment, and we are subject not only to the increased costs as indicated, but also to the higher laid down charges—transportation, duty and sales tax, to which reference will be

made later. The effect of these increases upon our manufacturing costs must be self-evident.

Again there are matters of factory expense, equipment, such factory essentials as belting, tool steel, grindstones, abrasive wheels, etc., which are in constant use but are not shown in the finished product, which are required in order to produce the finished product, they are factory expense items, and these factory expense items show an increase in price ranging from 80 to 127 per cent.

By the Chairman:

Q. Before you get away from machinery, did you ever make a calculation of the extent the present fiscal system puts a burden upon your industry?—A. I have not done that.

Q. It does put a burden, does it not, Mr. Bradshaw?—A. Mr. Chairman, may I make this statement? When I received this wire, certain definite information was required. That wire was obtained on Monday, and I was asked to appear on Wednesday. I have been for two solid days, both night and day trying to get this information for you. Nothing was said in your telegram about the tariff, so I am not prepared to discuss the tariff at the present time. If however you would like me to do that, I would like to have an opportunity of presenting facts and figures, also an opportunity of coming down here and being questioned upon them. I am not in a position to discuss tariff matters at the present time. It is not that I do not want to, the fact is that I am not prepared to do so.

Q. I quite admit the relevancy of your observations, if I had asked you to what extent the cost of production was increased by the tariff, but it seems to me that if you have been managing this large Company for four years—were you connected with it before?—A. No, sir.

Q. What position did you occupy before you became connected with this Company?—A. I was Finance Commissioner of the City of Toronto before that.

Q. You have lived in Toronto, so there are very few things you should not be able to tell us.

Q. You do not deny, do you, that the Customs Tariff increases your cost of production generally? I am not asking you to specify, but it does increase your cost of production, does it not?—A. I would say so.

Q. You might say without any hesitancy: it is self-evident. If you pay more for your machinery, if you pay more for your material, it is bound to increase your cost of production. It is only your good management that has enabled you to keep your company's cost of operation about the same as in the United States. Go ahead with the material.

By Mr. Sutherland:

Q. As to the extra cost of machinery to which you have referred, those machines last from eight to ten years. It would not add very much to the increase in the output, considering the immense quantities of machinery that would be manufactured during that period?—A. It would not add to the cost of the output?

Q. Yes.—A. We have a very big plant. Our equipment and machinery runs into the neighbourhood of about, I think, three to four million dollars, and the renewal of that from time to time is very considerable.

Q. Yes, but if the life of the machine that you have referred to is from eight to ten years, running practically all the time, the output would be enormous, and the increase to the value of the output would be a very trifling amount.—For one machine, but when you have a tremendous number of machines it does add to the cost a little bit.

Q. But not very much?—A. Well, quite a little bit.

By Mr. Sales:

Q. The increased cost in that spindle machine is how much?—A. From $191 to $396. That is probably one of the smallest machines. We have taken that as an illustration, as regards the spokes and rollers.

Q. Now, what is the capacity of one of those machines? How many spindles a day?—A. I do not know. I could not tell you that.

Q. This increase of cost over thousands of spindles would be so small that you would not see it?—A. That is only one machine, and one of the simplest machines in the whole place.

By Mr. Gardiner:

Q. Does not the same thing apply to the whole equipment?—A. No, we have machines that cost $25,000 and $30,000.

By Hon. Mr. Sinclair:

Q. Could you give the percentage of your manufacturing costs?—A. Represented by this increase?

Q. What percentage of your manufacturing costs is overhead charges?—A. Our manufacturing overhead charges?

Q. Yes.—A. We have divided our factory into departments, and every department has its overhead. Some of these overheads run from 400 per cent to 100 per cent depending on the class of work that is carried in. For example, it runs 125 per cent, 135, and 150 per cent. In overhead is included the cost of non-productive labour, and things of that kind.

Q. Could you give us a statement separate, showing material, the labour, transportation charges, and the overhead? Could you divide your manufacturing costs? —A. I have tried to do that just as I come along. I will come to the labour problems in a few minutes.

Q. Just before leaving the cost of the machinery, as to the effect of the tariff on these machines which are imported, the amount of duty would not be very great, consequently the increase on the output would not be very large?—A. The increased duty?

By the Chairman:

Q. Mr. Sutherland wants your view on this. You have a very large production. Your machinery lasts for quite a number of years, and Mr. Sutherland's question is whether the duty which you pay on your machinery when the increased cost is spread over all your production—whether it really raises the cost of production very much?—A. Well, it could not raise it very much.

Q. It is one of the elements that enter into the cost?—A. A very small element. Take material. I think it is well known that the price of raw materials has increased greatly since 1913.

By Mr. Sales:

Q. What was the price of the binder in 1921?

By the Chairman:

Q. If it would be more convenient for you to have Mr. Chisholm beside you, we will be glad to place a chair for him.—A. Thank you. I can give you the Ontario price, and probably that will be all right. In 1921 it was $337.

Q. And when did the reduction take place?—A. I think in December, 1921.

Mr. Sales: You see, Mr. Chairman, they kept the price up while there was a demand for binders, and after the harvest was over, and we were all through, the reduction came. That was the amusing thing for the farmer in the West.

WITNESS: Mr. Sales, might I add this, that the price was reduced just as soon as we were able to reduce the cost, not because it was after the harvest of 1921, or after the harvest of 1920, but the reduction took place just immediately we were able to reduce our cost. The binders that were used in the fall of 1921 for the harvest, all that machinery, the material, and the labour, on the average, had been put into these binders from a year to eighteen months before they were sold.

By Mr. Sales:

You are a broad-minded man, Mr. Bradshaw. Place yourself in the position of the farmer in the West, and you buy the binder at an increased cost, and as soon as the harvest is through, there is a reduction—what would you say?—A. This is what I would say, that the prices are always fixed by the agricultural machinery companies.

Q. We believe that.—A. Are placed, are determined, after the season's product is sold. It could not be otherwise. We could not set prices at all times throughout the year. We have got to have one period when they are fixed. They are always determined in the fall of the year.

Q. They are?—A. Yes.

Q. I have always been under the impression that you had a spring price. —A. I think only on one or two occasions in the last ten years have two prices been determined in a year.

By the Chairman:

Q. Are these prices determined by the implement manufacturers after a conference with each other?—A. No, sir, we determine our own prices, Mr. Chairman.

By Mr. Sales:

Q. Can you explain, Mr. Bradshaw, why they are always so uniform?—A. They are not uniform. A strange thing came up about that the other day. One of our agents telephoned in that a certain company was offering its prices, was offering a machine at ten dollars lower than ours, and wanted to know why it was.

Q. What kind of machine was it?—A. A binder. We are all the time subject to that. I hear these things from the branch managers. They do not tell me the name of the concern, or the name of the agent, or the name of the binder. We have over 3,500 agents in Canada, and it is impossible for anyone to keep in touch with them all.

Q. I have been buying your machinery for a good many years, and I have never found any difference between yours and the McCormick and the International Harvester worth thinking of. I would be under the impression that you had got together and conferred about the manufacture of these machine.—A. You think a lot of bad things about us, but we are not as bad as you think we are. Let us think well of one another. I would just like to carry on this statement. In general, from 60 to 66 and $\frac{2}{3}$ per cent of the cost of the manufacture of our implements is represented by materials, of which the chief are steel, lumber, pig iron, malleable castings, cotton duck, coal, coke, paints and oil. Our industry maintains an alert and efficient purchasing department, the aim of which is to buy in the cheapest and best markets so as to reduce the cost of materials to the minimum. In spite of this, however, we are to-day paying for our materials 138 per cent more on the average, due account having been taken of the proportion purchased, than in 1913.

By the Chairman:

Q. Let us take up these different items.—A. I have them here, and I will go over them.

Q. What paragraph of the Tariff does it come under? Mention some of them. "Rolled iron or steel beams, channels, angles, and other rolled shapes of iron or steel, not punched, drilled or further manufactured than rolled, weighing not less than 35 pounds per lineal yard, not being square, flat, oval, or round-shaped, and not being railway bars or rails, British preferential tariff, $2; Intermediate Tariff, $2.75; General Tariff, $3;" Is that one of the items?—A. Yes.

Q. Would that be a substantial one?—A. Yes.

Q. Where do you get most of this steel?—A. Pittsburgh,—chiefly Pittsburgh.

Q. The general tariff would apply of $3 per ton?—A. Yes.

Q. What is the per ton price that you are paying now?—A. We are paying at the present time—I put it in terms of 100 pounds—for steel bars and angles we are paying $2.50 f.o.b., that, is, at Pittsburgh.

Q. Now, that is $2.50 per 100 pounds. That is $50 a ton. That is only 6 per cent?—A. Yes.

Q. Now, is there any other sort of steel? What other item have you?—A. Have you got pig iron there?

Q. We have everything here. We have the tariff, and you know the tariff has a happy medium "n.o.p."—not otherwise provided. I am reading Tariff Item 375. Iron and pigs, iron kentledge, and cast scrap iron; ferrossilicom, containing not more than 15 per cent silicom; ferromanganese and spiegeleisen, containing not more than 15 per cent manganese, per ton, $1.50, $2.50, and $2.50."—A. The cost of that at the present time is $30.50 per ton.

Q. $2.50 is a percentage of what?—A. It would be in the neighbourhood of 7½ per cent.

Q. $2.50 out of $30?—A. It is just about 7½ per cent.

Q. We cannot attempt to look up all of the rates, but are those rates fairly indicative of the duty that you have to pay?—A. I would think approximately so. Now, just to indicate the increased cost of the materials which enter into our manufacture. I pointed out that steel has increased from 88 per cent to 112 per cent; lumber has increased in price 134 per cent on the average; pig iron has increased 122 per cent; malleable castings have increased 124 per cent; cotton duck has increased 112 per cent; coal has increased 95 per cent; coke has increased 177 per cent; white lead has increased 46 per cent; red colour has increased 126 per cent; and linseed oil has increased 160 per cent.

Q. What do you use the linseed oil for?—A. In connection with paint. These increases do not take into account the sales tax imposed since 1920, nor, with the exception of cotton duck do they include inward freight charges which have also greatly increased, all of which enhance the foregoing percentage of increase. I have a chart to go with these figures.

This gives in graphic form the percentage increase in these items. Now, I would like to point out that these are not index numbers. If they were index numbers, coke would be 298, material woul be 258, equipment would be 244, malleable casting would be 229, pig iron would be 226, wages would be 213, cotton duck would be 212, coal would be 195, steel would 188, freight would be 170, and farm implements would be 164. That is the increase over the 1913 price—the present 1923 price over the 1913 price.

Q. That includes the advance on all your machinery since 1913?—A. Yes, and as stated in that memorandum given to the Dominion Bureau of Statistics, and it has been before you, and is based on Western machines.

Q. Will you just contrast this for a moment? Is this your cost—A. Prices.

Q. The farmers have increased from 100 to 164. Now, the farmer on his field crops, including potatoes and turnips as field crop, from 1913, taking the same years has an increase of 124·6 per cent.—A. As against 164. I quite appreciate the tremendous drop that has taken place in the price of the farmer's produce.

Q. The farmer finds that he has received the full force of deflation, and although deflation has occurrd in certain other industries, and in certain of the commodities which he has to buy, the deflation which has occurred in these commodities is as a rule very much less?—A. We appreciate that, and if our sympathy is worth anything, we do sympathize with that situation very much indeed. If we were able to help out, I do not know of any industry that would be more willing to take its share in helping it out.

Q. You see, on the prices of farm products, the increase is only 16 9 per cent.—A. I studied those statistics prepared, and I think they have been very carefully prepared, and very fairly prepared. There is just one other item in connection with our material that I would like to bring before your Committee. As manufacturers of completed machines, it is important to bear in mind that we buy the finished product of other manufacturers, and as a consequence, have practically no control over the price we are charged therefor. Moreover, the manufacturers of materials supplied to us have a relatively simple problem compared to ours. Their raw materials consist of a few commodities purchased in bulk, readily obtainable and equally readily disposed of in the event of overstocking. On the other hand, the manufacturer of implements has to buy an immense variety of special sizes and qualities of materials which cannot, generally speaking, be easily resold, but which are only applicable for the manufacture of the particular machines specified. Just let me give you an illustration of the tremendous variety of materials which we have to purchase and carry in stock. Take the four classes of material, lumber, malleable castings, steel and sundry. I will be very brief about this. We carry in stock 17 different kinds of lumber, such as oak, ash, pine, etc., and these are carried in three grades of varying dimensions. Altogether there are 108 different items of lumber carried in our stock. We have in active use 1,100 different malleable patterns which are used on present-day machines, and in addition there are about 800 which we must keep and use occasionally to provide repairs for machines now obsolete, but for which we continue to furnish repairs. We are often called for parts of machines sold thirty years ago. We always endeavour to provide such parts, even though it means the heavy expense of making only one piece by hand. I have seen a request come in for a repair part that you would say was not worth 50 cents. We have not got the pattern, and we have had to go and make it by hand, and that piece would cost us probably in the neighbourhood of two or three dollars, and all we can do is to charge the purchaser the regular price.

By Mr. Sales:

Q. What machine would that be for?—A. Take the other day, we got a request for a nut for a binder that we sold thirty-seven years ago.

Q. That does not agree with the idea that the farmer does not take care of his machinery?—A. In certain cases. Unfortunately, there are farmers and farmers. I want to tell you that I have a very high regard for the farmer.

Q. You have some very old mowers in existence, and I have often wondered why you changed your patterns so often.—A. I deal with that here. It is for improvement purposes.

Q. I have an idea that your old No. 4 binder was the best you ever made. It lasted longer on account of having roller bearings, and you discarded that.—A. Yes, and I think now that No. 5A is the finest binder that any farmer can buy. Every improvement that we make in the machine we think is for the benefit of the farmer. It is not for our own benefit. If we could settle our manufacturing problems so that we could continue making the same machine over and over again, our losses would not be as heavy as they are, but we are forced by competition for one thing, and then we are forced by new conditions, to keep our machines up to the very latest type.

By Mr. Gardiner:

Q. Another point with regard to repairs. We all realize that it costs the company like the Massey-Harris Company quite a bit of money to make patterns for what you might term obsolete machines, but will you tell the Committee what it would cost a farmer, say, in Western Canada, in Regina, or any of those cities—what it would cost the farmer if he was buying a binder, including all the parts.—A. Piece by piece? I have not got that calculation. I could not tell you.

Q. It would cost him something like $1,500, would it not?—A. I don't know.

Q. I am satisfied that when your No. 4 binder was on the market, at that time it cost about $160 to $175, but for the complete parts of the binder, by way of repair parts, it would cost over $1,000.—A. Have you made that calculation?

Q. No.—A. Did anyone make it?

Q. Yes, the calculation was made.

By Mr. Caldwell:

Q. It is very easily done. Take your retailer's price list that they referred to; it could be figured out.

By the Chairman:

Q. It would mean that you were charging rather more heavily for your parts.—A. I do not think that any intelligent man would expect that he would be able to get these individual parts for the same price.

Q. Let us not get at cross purposes. I hope I am intelligent—I do not know—but I would not expect for an instant that I would get a repair part at the same proportionate price as I would if I bought a new machine, but it would not seem to me that it should cost a man eight or nine times as much.—A. May I explain this to you, when we manufacture our machines, they go through in quantities, our repair parts are made from time to time. They are stocked in all of our branches, and in nearly all of our important agencies.

Q. You make them in mass production?—A. We do, to some extent, but they are not made in the same way that we make the parts for our machines—not at the same time, and again there has to be constructed a special bin for every repair part. You may say that is not very much, but multiplied, with one bin for each part, and for all our branches, taking into account our repair men at all of these branches who handle them, and you will find that your costs in repair parts run up very considerably.

By Mr. Caldwell:

Q. Just there; when you send parts to a farmer, he pays the expressage or the postage?—A. I am not saying anything about that. But there is the

handling of the parts, the handling of them from the bin, wrapping them up and so forth. It takes a man's time to do that.

Q. Can you not buy a Ford car in parts—if you are able to put them together—and have a car at a very slight cost over the price of the parts?—A. No; I don't think you can. If you can do that, I will make a comparison of the Ford car with our binder. If you will permit me a little time later on, I will do that.

By the Chairman:

Q. Do that later on. You have got to the material, and now we want the labour.—A. We purchase 54 different kinds of steel, such as angles, channels, squares, rounds, etc., and these in turn are subdivided into a large variety of sizes and lengths, and a great number of special qualities which are not generally used. We purchase sundry items under 122 classifications, ranging alphabetically from asbestos to washers, and in each classification there are from three to fifty-five different items.

That indicates the tremendous number of pieces of material used in the manufacture of agricultural implements the company has to handle.

I come now to labour costs. Labour costs have also increased substantially since 1913, and the extent to which this is true in respect to our own industry is indicated by the fact that in 1913 the average hourly rate was $20\frac{7}{8}$ cents, while to-day it has more than doubled, being $43\frac{3}{4}$ cents, or an increase of no less than 113 per cent. What this actually means in dollars may be realized from the statement that if we operate for the same number of hours this year as we did in 1913, the amount paid in wages will be increased by almost two millions over the amount paid in the earlier year.

Q. You would think that that is a fair year to take?—A. I think it is a good year with which to make a comparison.

Q. I am glad to hear you say that, because that is the year I asked the Bureau of Statistics to take.—A. If we operate for the same number of hours this year as we did in 1913, the amount paid in wages would be increased by almost two millions over the amount paid in that year. That is, if we operate this year just the same number of hours, it is going to cost us in labour alone $2,000,000 extra.

By Mr. Caldwell:

Q. What increase is that in your labour costs?—A. 113 per cent.

By Hon. Mr. Sinclair:

Q. What percentage of the manufacturing cost is represented by labour? —A. Our materials run into about 66 per cent, and the balance is in labour.

By the Chairman:

Q. What about the overhead?—A. I am talking about our costs apart from overhead.

By Mr. Sales:

Q. Your labour has increased by what percentage?—A. 113 per cent over that of 1913.

Q. And your material cost?—A. Our material cost has increased 138 per cent.

By Hon. Mr. Sinclair:

Q. When referring to these percentages as to the cost of manufacture, are we to understand that you take material and labour as being the two great items? —A. Yes.

Q. You said 66 per cent represented the cost of materials, and the balance was represented by labour?—A. I did.

Q. Between material and labour, the two cover your maufacturing costs? —A. Yes.

By Mr. Caldwell:

Q. 66 per cent of your manufacturing costs would be for material?—A Between 60 and 66 per cent.

By the Chairman:

Q. In those manufacturing costs have you provided for the running of the machinery, the interest on the factory that shelters it?—A. In that connection, I am glad you have raised that question. I want to say this, that we do not provide in our costs for any interest whatever upon our plant and equipment. That is not a factor in our costs, and does not enter into them.

Q. But it has to be taken into consideration somewhere?—A. No, sir, it has been paid for and is wiped off, and does not enter into our cost of manufacturing.

By Mr. Caldwell:

Q. They have paid it and forgotten it?—A. We have not forgotten it. If we did charge interest on the capital cost of our plant and equipment, our costs would be increased thereby.

By Hon. Mr. Sinclair:

Q. Is it a factor in the price that is charged to the consumer?—A. I beg your pardon?

Q. In your factory and such like, is it a determinable factor in the cost of the goods?—A. No, sir.

Q. It does not enter at all?—A. It does not enter, no, sir.

Q. Have you written it off and forgotten it?—A. It is all paid for. We have no mortgages on our property, and no interest charges.

By the Chairman:

Q. Was it paid for out of profits in years gone by?—A. And out of capital invested by the people in the enterprise.

By Mr. Sutherland:

Q. When did the cost of material and labour reach the peak?—A. About 1920.

By Mr. Caldwell:

Q. Are you not paying interest on this capital invested?—A. No, sir.

By the Chairman:

Q. You were paying interest in normal years on your capital invested?—A. We are talking about buildings.

Q. But your answer seems to be to create an impression which I do not think is the real impression. Your shareholders of course expect a return on their capital?—A. Yes.

Q. Part of that capital has gone into plant and equipment?—A. Yes, sir.

Q. Part of it has gone into plant and equipment, and part into buildings? —A. Yes.

Q. The return must be earned by all of those?—A. The question that was asked me was, whether it entered into the cost of our goods. I say it does not.

Q. It must enter into the cost of your goods, but in calculating your costs you disregard it?—A. That is what I stated.

Q. Let us take a typical machine, a binder. A binder sells to-day for how much?—A. Well, the price was given a few minutes ago. A binder sells to-day in Ontario for $233.

Q. How is that $233 made up?—A. I have not the figures to give you for that. I am trying to work up to that, and I think I will come to it before we get through.

Q. You have a reserve in your books?—A. We have reserves for specific things only, not a general reserve.

Q. Where did you take those two bad years from, one in which you say you lost a million dollars and odd and another year half a million?—A. We took it out of our surplus accounts.

Q. Is that not a reserve?—A. A surplus is a more or less floating amount which may be available for dividends or for extraordinary losses. A reserve is generally set aside for some specific purpose. When you set up in your books a reserve, you set it up for some specific purpose.

Q. Is there any difference in essence between a reserve and a surplus? -A Yes.

Q. In profitable years you will add to your surplus account?—A. We will add to our surplus account. You may call it a reserve, we call it a surplus.

Q. I think it is more a difference in names than anything else. It is money which is not distributed among the shareholders, but which has been made out of profits and remains in the treasury of the company to be allocated.—A. Or to meet losses.

Q. Or to be allocated to a particular purpose in the future?—A. Yes, sir.

Q. Mr. Sinclair asks me to ask you whether when you buy valuable new machines, or put up a factory, you take it out of your surplus or reserve, whichever you call it?—A. We would provide new capital for it, if it was a very large expenditure, or we would take it out of our surplus, if our surplus warranted us in doing so.

By Hon. Mr. Sinclair:

Q. That is the way companies do?—A. I think that is the way every company would do.

This added cost of labour is one beyond our control, and while we endeavour to make a reasonable return for the services rendered, "supply and demand" are in the last analysis the regulating factor. Scarcity of workers and increased living costs make labour more costly, both of which conditions we are experiencing at present. The boom period in the United States has undoubtedly led many of our skilled workmen to cross the border, and the cost of living continues high in Canada.

In this connection you have referred to us as a national institution and as one of the largest employers of labour in Canada. We consider that we must safefguard as far as possible the interests of our employees, and when the period of depression was experienced in the fall of 1920, it caused, as you are aware, a great deal of unemployment. At that time we were strongly urged by the Government to keep our factories in operation, in order to help during that difficult period, by giving employment to the largest possible number of men. We kept our factories running throughout the whole of that winter and until the early summer of 1921, when our men could more readily get outside emloyment.

By the Chairman:

Q. That would be through what winter? -A. 1920-21. We kept our factories running throughout the whole of that winter. While this policy was of great benefit to the country, and we were glad to help out, it was a very costly

one for us as exemplified in our increased cost of operations and heavy inventory of carried over and unsold machines. At the close of that year they amounted to the very large sum of $6,600,000 as compared with $2,500,000 in 1913. Last year also, although our product was relatively small owing to the large stocks of machines carried over, we designedly spread our manufacturing out during the whole winter in order to keep our men employed.

Coming down to the question of freights the increased freight on incoming materials as previously noted has been a factor in increasing the cost of the commodities which we buy. In addition, freight is prepaid on our implements to the customer's station, a fact not always taken into account in price comparisons. Naturally, such charge is included in the price of the implement, and as freight has increased by no less than 44 per cent between Toronto and Regina it has had its effect in increasing the price of all implements. It is the same with other places. Were transportation costs reduced, the farmer would immediately reap the benefit in the form of a lower price for his implements.

The transportation companies have their own problems, and the rates charged may be reasonable, but it must be remembered that we have no control over them, and increases in freight rates must inevitably increase prices.

To send an eight-foot binder with attachments from Toronto to Regina in 1913 cost $17.88. To-day it costs $25.72. The freight charges on a five-foot 20-section mower used to be $7.18, now they are $10.32; whereas ten years ago a 3-section diamond drag harrow could be sent for $1.77 it now takes $2.55. In short, the rate on implements from factory to Regina has increased from 89 cents per 100 pounds to $1.28, or 44 per cent.

Q. Is that from 1913?—A. From 1913, yes, sir.

Q. Although that is a great drawback to the country, still freight rates have increased a good deal less than most commodities.—A. You will remember, Mr. Chairman, the reduction in freight rates that took place about a year ago. We are giving effect to that decrease in our figures here.

By Mr. Hammell:

Q. That is not the peak?—A. No, it is not the peak. There is another item which did not enter into the cost of our machines in 1913 that I would like to refer to, that is, the sales tax. The prices at which our implements are sold include not only delivery charges, but the sales tax imposed by the Dominion Government. This tax which did not exist in 1913, affects our business in two ways, since it is applicable both to materials which we now purchase and the finished product which we now sell, and we pay it in both cases. On purchases, the original rate (1920) added from 1 per cent to 2 per cent to the cost of material. In 1921 it was increased and added from 2½ to 4 per cent to material costs, while in 1922 it was still further increased by 50 per cent and now adds from 3¾ to 6 per cent to all material costs. Upon the sale of our implements we have to pay a tax of 4½ per cent as compared with 3 per cent in 1921 and 2 per cent in 1920, whereas in 1913 there was no saless tax. Here again is an added cost.

By Mr. Sales:

Q. You pay that?—A. We pay that, yes, sir.

Q. When you sell a machine?—A. When we sell a machine.

Q. To whom?—A. To the farmer.

Q. Do I not have to pay the sales tax?—A. You pay the sales tax in the price, but it is not given as a separate item. Some companies charge it as an implement price, but we do not include it in our sale price. In making a comparison of prices, that is frequently not taken into account.

APPENDIX No. 3

By the Chairman:

Q. One would think the psychological effect upon the consumer might be better if you let him see that part of it was not going to you but to the Government.—A. That is a difficult thing to do.

By Mr. Hammell:

Q. It would mean carrying the separate items through your books?—A. Yes.

By Mr. Sutherland:

Q. In the United States the sales tax is shown in the statement the purchaser receives?—A. I do not know what their practice is.

Mr. Sales: I do not know, because I have not bought any new machinery for several years. I learned a good lesson, I tell you.

Witness: Some manufacturers show the tax as a separate item, making the cost price appear less than it really is. We pay the tax, and include it in the price of the machine, but it adds nothing to our income. These heavy duplicate taxes constitute a real burden to the manufacturer and farmer alike, and must be considered in making comparisons of Canadian prices with those at a period when there was no sales tax in effect, or a lesser one than at present.

I would like now to talk about capital. We have been talking about capital this morning, and I would like to go back to it.

By the Chairman:

Q. These comparisons for different years you have submitted to the Bureau of Statistics and which appear in our records for the years 1921 to 1923, do they include the sales tax?—A. Yes. These are the retail prices to the consumers. I will speak now of the tie-up of capital. Not only have costs of commodities as already proven very greatly increase, but this condition has superimposed an added financial problem for the manufacturer. It has involved a very much larger outlay of capital, and as cash has to be paid for all materials and labour we have been compelled to provide important additional moneys to carry on. Steel for example is payable within ten days, labour is paid immediately the labour is given. We have not on our books to-day practically any trade accounts. Our only creditor is our banker. We have to pay cash for everything. The added cash required to conduct the industry which I represent is illustrated by the increased amount of our inventory of materials and finished goods. Before I give you an inventory of the finished goods, I would like to give you the raw materials carried, and then the finished goods. In 1913 they amounted to about six millions, now they aggregate no less than fifteen and three-quarter millions, or an increase of 165 per cent, showing the tremendous increase in the capital required to carry on the business to-day as compared with 1913. Some of our materials have to be purchased well in advance of actual manufacture, which, of course, involves the locking up of immense capital. Take for example, lumber, much of which has to be at least two years in our yards to thoroughly season and dry before it can be worked into machines, and since our consumption runs to from sixteen to eighteen million feet per annum, that in itself represents a large tie-up of capital.

This is not all. As is well known, farm machinery unfortunately for both the farmer and the manufacturer has to be sold on long credit. On the average, after the machine is sold it is approximately a year before cash is wholly received therefor by the manufacturer.

By Mr. Sales:

Q. I would like to dwell upon that point for a moment.—A. May I finish this, and then go back to it?

Mr. SALES: Yes. I want you to go back to that long credit.—A. It is quite within the mark to say that between the time the manufacturer pays for the commodity entering into his finished product and when he finally receives payment for it, not less than 18 months and sometimes 24 months have elapsed. In this respect, the manufacturer may be regarded not merely as the supplier of the implements to the farmer, but in no small way as his banker. For example, at the present time we are carrying the paper of Canadian farmers to the amount of eight millions.

By the Chairman:

Q. On which the average rate of interest is how much?—A. Well, it varies, according to the place. I would think about 7 to 7½ per cent is the average rate.

By Mr. Sales:

Q. What about the West?—A. That is the average. The rate in the West is higher.

Q. What is it in Ontario?—A. 7 per cent.

Q. In Saskatchewan do you not make all your notes out at 9 per cent?—A. The rates vary, Mr. Sales. I think in some place they are 8 per cent, and in some places 9 per cent.

Q. I understood you to say that it was governed by legislation. Has our legislature passed a Bill providing that the rate of interest should not exceed 9 per cent? They have really filled them in at 9 per cent, and said that that was what their own Government had set the price at?—A. What is that?

Q. That that is what their own Government has set the price at, 9 per cent, the Saskatchewan Government. Do the rates not exceed 9 per cent? If you are charging 7 per cent in Ontario and 9 per cent in Saskatchewan, that will raise the average considerably higher than you say it is?—A. It may. I am not able to say.

Q. We have complaints about the unfairness of these companies. I suppose you are not any more guilty than anybody else.

Mr. SUTHERLAND: Perhaps there are bigger reasons in the West.

Mr. CALDWELL: Before you leave that point, I would like to ask about your time price.

By Mr. Sales:

Q. I wanted to go back to that.—A. It is higher than our cash price.

By Mr. Caldwell:

Q. Take a mower, for example. Your mower is $97 cash, or was in a certain year, while your time price at 18 months is $114, then on top of that you charge 8 or 9 per cent?—A. There is a variation in price between the cash sales and time sales. The interest is not pretended to cover interest on the capital invested. Let me make this statement, please.

By the Chairman:

Q. You would far rather sell for cash?—A. We would far rather sell for cash, and we would make a great deal more if we received cash for every implement sold. Let me explain. At one of our branches in the West—

Q. You may as well abandon all idea of getting back to Toronto on the noon train.—A. Abandon hope?

Q. No, but you must abandon all hope of getting away early this afternoon. We will be sitting again this afternoon, and I think this is a good time to adjourn. It is almost one o'clock now. We will sit at four o'clock, if the Committee are agreeable.

Mr. GARDINER: Remember, Mr. Chairman, that this is Wednesday, and we cannot sit to-night. Why not sit at half-past three?

The CHAIRMAN: The Committee do not desire to sit to-night, at any rate.

Mr. SALES: Better make it three-thirty.

The CHAIRMAN: All right, we will say three-thirty, if that will satisfy everybody.

(The Committee adjourned until 3.30 p.m.)

Afternoon Session

HOUSE OF COMMONS,
COMMITTEE ROOM 268,
WEDNESDAY, May 2, 1923.

The Special Committee appointed to enquire into Agricultural conditions throughout Canada, resumed at 3.30 p.m., Mr. McMaster, the Chairman, presiding.

T. BRADSHAW recalled.

The CHAIRMAN: Mr. Bradshaw, you might just continue along the line on which you were proceeding before adjournment. I think you were discussing labour costs, but you know where you left off.

WITNESS: Coming right down to implement prices, so far, it has merely been assumed that agricultural implement prices have increased. In point of fact they have, but an examination of the extent to which this has been the case indicates that far from having kept pace with the increases to which the manufacturer of implements was subject, prices have lagged very much behind.

For the sake of comparison, prices applicable to Regina district have been used but it will be recognized that approximately the same relationship would hold between prices in any territory. In 1913 a farmer paid $147.00 for a Double Disc Drill, to-day it costs him $251.00 or a little over 70 per cent more; ten years ago an 8-foot Binder with attachments sold for $170.00, the present price of the new style, improved 8-foot binder is $288.00, or a 69 per cent increase; a 5-foot section mower has increased from $62.00 to $106.00, or about the same percentage as the drill; while for a 14-inch Great West gang plough a farmer pays $77.00 more or 87 per cent more than in 1913. In no case does he pay twice as much for his implement, and in some cases the increase is as low as 31 per cent. In short, a settler who to-day purchases what may be considered a complete outfit, namely, ploughs (walking and gang), drill, rake, binder, mower, disc and spike-tooth harrows, wagon and sleigh, does so at a price that is only approximately 64 per cent higher than that for the same outfit in 1913. This in spite of the fact that labour and materials have more than doubled, to say nothing of increased transportation charges, sales tax and exceptionally slow payments due to depression. Comparatively speaking, the farmer pays less for his implements to-day than he did in 1913.

[Mr. Thomas Bradshaw.]

Every increase in the price of implements has been forced upon the industry simply because of the increase in the prices which had to be paid to the manufacturer for the various commodities entering into the finished product. Our materials have to be contracted for long in advance of the sales of the finished machine. Take to-day's situation—just three days ago we received a communication advising us that no dependable assurance could be given of delivery of certain steel materials under six months, and that we must anticipate our requirements accordingly. In some instances, steel mills are to-day refusing orders. Last week when prices of material were higher than probably they have ever been, we had to commence to plan our manufacturing programme for tillage and harvesting machines for the 1924 season, twelve and eighteen months before the implements could be sold.

In making a comparsion of prices of farm implements in 1913 and 1923, it should be borne in mind that present-day machines embody many new improvements, which make them more economical and efficient and more perfect time and labour savers for the farmer as compared with those of 1913. We keep an experimental department constantly at work improving the operating qualities and the efficiency of machines, and developing new ones which will be of service to the farmer. For example, a comparsion of the price of a binder in 1913 and 1923 has been made, but no reference has been made to the fact that the present binder is vastly improved over that of 1913. Let me just mention a few—I will only take ten. These are improvements since 1913. The 1923 binder has a canvas slackener; (2) metal conveyer and elevator rollers; (3) shifting vibrating butter; (4) filler strip for short grain; (5) outside reel support; (6) additional roller bearings; (7) improved fore-carriage; (8) new and improved four-horse hitch; (9) new sheaf carrier; (10) improved grain wheel. These are only some of the improvements; there are many others all of which make the binder of to-day a more economical and efficient labour-saving device for the farmer.

By Mr. Gardiner:

Q. Do you think that all these are improvements? What about the Butter? Is it any better than the previous Butter? Could you get anything that would work more satisfactorily than that?—A. This improved Butter has been placed there as a result of field tests and experiments carried on in Western Canada, in the presence of farmers and of our representatives. We have never made a change in our machines unless there has been a demand for it from the field where the machine is used. In the opinion of some, it may not be an improvement, but in the opinion of most of those who have experienced this in our case, it is.

Q. The ultimate object of the butter is to make a good sheaf? Is it not? —A. Yes.

Q. Do you suppose that you could improve the sheaf of the old Massey-Harris binder?—A. I think that our present arrangement for the sheaf is a little bit better; it is pretty hard I know to improve upon that. We have struck a feature which is well worth considering, but we do think that we have improved upon it.

By Mr. Hammell:

Q. I would say it is very much from the standpoint of the individual? —A. Yes.

Q. It is not very difficult to go into a field as level as this floor, and work your binder and make a perfect sheaf, but where you go into conditions such as we have in Ontario, up and down hill, that is where your improved butter, and every other improvement shows its true worth.

By Mr. Sales:

Q. Where do you carry on these experiments?—A. In Western Canada. I will explain. Every year we send out to Western Canada during the harvesting period a number of men, varying according to the number, sometimes six, sometimes a dozen, sometimes more. These men go out into the field and operate our machine with the farmer. They are practical inside men, and many of them have been brought from the farm into our factories, and therefore they are not only practical inside machine men, but they are practical outside machine men, and there is no improvement made unless there is a general concensus of opinion by these experts, and unless that improvement is also passed upon by our experimental department, which is carried on at great expenses in our own company.

Q. I never met one of these men, and never heard of one of them.—A. They have travelled the world over. At the present time one of our men has returned from Australia. We have two men in Australia at the present time. We have two men in the Argentine. We have one of our drill experts watching our drilling operations this fall in the West.

By Mr. Milne:

Q. You need an expert for your drill?—A. We thought we had a pretty good drill.

By Hon. Mr. Sinclair:

Q. When you speak of having experts in different parts of the world, do you manufacture the same kind of machine for different parts of the world?—A. There are different machines for different countries, we call them by the same name, but they are differently equipped.

Q. Like a binder, for instance? The binder you manufacture for export is different from the binder you manufacture for Canada?—A. Yes.

By the Chairman:

Q. What is the difference?—A. The size of the binder, and sometimes it is a left-hand or right-hand binder. They are minor differences. I would say they are minor differences.

By Hon. Mr. Sinclair:

Q. How do your export prices compare with your Canadian prices?—A. Our export prices are always higher than Canadian prices.

Q. On the same quality of machine? You say there is a little difference in machine?—A. Of course the added cost is always taken into account.

By Mr. Sales:

Q. Has that always been so?—A. As to the price?

Q. Yes.—A. Yes. You may remember that our late president, Mr. Findlay, made a statement before the tariff committee in Winnipeg, and just in that connection I would like to say only three or four words. I would just like to tell you what he said, and of course he has had a lifelong experience in this business. He stated this: "My company has exported machines to practically every country in the world, for well over thirty years, and we have never during that time sold machines in foreign countries as at low a price as at home."

By Hon. Mr. Sinclair:

Q. Following that point, Mr. Bradshaw, you have to pay duty on your raw materials that you put into your machine, and when you export your machine, you get a drawback?—A. Yes.

Q. Then you must gain on the export trade?—A. We do.

The CHAIRMAN: We are awfully glad to hear that, because we have been hearing in this Committee right along people telling us that they had to sell at home higher than they were able to sell abroad, and it is very nice to hear one of these gentlemen say that he sells to our people at a lower price than to others abroad.

By Mr. Sales:

Q. While we are on the subject of export, what expectation has your manager in Germany for trade?—A. That is very interesting. I would be very glad to speak about that. We are not selling any machines in Germany, and have not sold any machines in Germany since 1914, before the war. There may have been some machines on hand at that time, and they may have been disposed of, but we have never exported to Germany since then.

Q. Do you sell them from England to Germany?—A. No. This man is a very ingenious character.

By the Chairman:

Q. Who is "this man"?—A. Our manager of the Massey-Harris Company in Berlin. He was our manager before the war, and is still our manager. When the war broke out, no more machines could be exported to Germany, but he commenced to make repairs parts in a little factory that he rented and financed himself. He has continud to do that right along, and to-day he has in that little foundry or factory about 100 men. We are not supplying him with any capital or funds, but he has been able to make these spare parts, and to sell them to those who have bought our machines in past years, and in that way to carry on. I spoke to him, as I mentioned, a short time ago, and I said: "How is it that you are able to continue to get a demand for these spare parts?" and he said, "You know that the Massey-Harris machine frame never wears out, and therefore they are constantly coming back and wanting these spare parts." That is our situation in Germany to-day.

Q. That is not German propaganda that you are giving us?—A. I am just giving you the facts. I have not thought one way or the other. We get no profit from the enterprise, because he is carrying on without any capital furnished by us. I know he is just able to carry on.

Q. You should be glad to know that he is doing it, because you might in future go back to the market.—A. That is just it. He is trying to keep up the connection.

By Mr. Gardiner:

Q. With regard to the drawback, what proportion of the drawback would be in connection with the difference in prices that you sell in the foreign markets? Does not that considerably offset the difference in price?—A. What advantage do we get in the drawback?

Q. Yes. Does that not considerably offset the extra price that you sell in foreign markets?—A. No; the drawback of course varies according to the machine. I could not tell you what it is generally. I could not tell you in percentage, for example, but it varies.

Q. If there are no other questions on that point, I would like to go back to the other question. This new sheaf carrier you have got, is it going to be better? —A. These are the improvements that have been made in the past ten years, and this sheaf carrier was developed last year.

Q. What difference is there between the new one that you have and the old one?—A. It does what it is intended to do, and does it better.

Q. I had a binder eighteen years old.—A. We had a few complaints about it.

Q. Now, you come to the four-horse evener. What was the matter with it?—A. You have to have the best four-horse evener.

Q. There was nothing the matter with it.—A. We found there were certain defects.

By Mr. Hammell:

Q. Is there anything perfect?—A. No.

By Mr. Gardiner:

Q. You take all these machine companies, they will put out a great deal of advertising, pointing out some new improvement that they are supposed to have on the machine, which is practically no improvement at all, and which costs a lot of money, and is ultimately paid for by the consumer. I have a No. 4 binder, and if I were going to go into farming on a larger scale, I would sooner buy the No. 4 than the No. 5, because I find it lasts longer. All these extra improvements cost money, and consequently we have to pay the price. The old No. 4 binder was as good as ever went into a field, but we have a lot of improvements in the new No. 5 which are supposed to help us harvest our crop more efficiently.—A. I only wish that every farmer in Canada was of the same mind as our friend here. Then our problems would be very much simplified, but unfortunately, as I mentioned before, they are not the inventions of the shop or of the experimental department. They are the suggestion of the farmer and of the field men.

Mr. Sales: I have heard the same opinion expressed with regard to the No. 4 binder hundreds of times.

Witness: We have No. 5 and 5a binder. As regards the No. 5a, we had a lot of No. 5 binders left over and although the price was $25 less, we could not sell them. The No. 5 binder, in your opinion, I am sure, would be one of the best binders we ever built.

By Mr. Gardiner:

Q. Oh, no. If your No. 5a is no better in comparison with your No. 5, then the No. 4 is going to stand ahead of the 5a.

By the Chairman:

Q. Have you contrary information?

Mr. Hammell: I have. Yes. These are matters of individual opinion. You can find just as many men on one side as on the other. I have used a binder ever since the first binder was invented.

Mr. Milne: I have been told that in order to sell a thing you have to add some new feature to it.

The Chairman: They call these "Talking Points" in regard to automobiles. I do not know whether the same thing applies to farm machinery.

Mr. Milne: I have spoken to some of the agents—I would not say they were agents, especially of this company we are dealing with now, but other agents for farm implements. I said, "What is the idea of changing this?" and they would say, "Oh, well, we have to talk about something before we can sell it. They would not buy if you do not. If you tell them you have a new set of something, they will buy it for that reason."

The Chairman: It is because of the improvements.

Mr. Milne: Yes, because of the improvements.

Mr. HAMMELL: As to the Massey-Harris seeder, I know men who will swear by the Massey-Harris seeder, while others will swear by the Cockshutt seeder.

The CHAIRMAN: Some swear by it and some swear at it, I suppose.

Mr. CALDWELL: I understood Mr. Gardiner to ask the witness how much he got in the way of rebate on a binder.

Mr. GARDINER: What would it mean in the extra price he received on the export?

By Mr. Caldwell:

Q. Can you give us the amount of duty on the material that goes into a binder?—A. No, I cannot.

Q. The Finance Minister said last year that the amount of duty on the material entering into a binder was $2.65.—A. What is that?

Q. That the duty on the material that goes into a binder amounted to $2.65. —A. I don't know.

The CHAIRMAN: It would be more than that, but I cannot tell you the amount.

Mr. CALDWELL: Sir Henry Drayton gave us those figures in the House last year, and they were not questioned.

By the Chairman:

Q. Mr. Bradshaw, you have Mr. Chisholm with you. Try and figure it out. Some of us are farmers, while others are not. What does a binder weigh? —A. I am coming to that point, Mr. Chairman. You have talked about a Ford car. I want to bring up the binder, and then talk about a Ford car.

Q. Suppose we deal with the binder for a minute. What is the weight of your binder?—A. The weight of our binder is approximately 2,009 pounds, practically a ton, an eight foot binder.

By Mr. Sales:

Q. 2,090 pounds?—A. No, 2,009, just around 2,000 pounds, just about one ton.

By the Chairman:

Q. If we knew how much steel was in it, we could have a better idea of it? —A. Yes, and if we knew how much wood there was, how much malleable iron there was, it would be better. But do you know how many parts there are in a binder?

Q. No, I do not.—A. Would you be surprised if I told you that there are over 1,500 pieces in a binder?

Q. Perhaps they are "fearfully and wonderfully made".

By Mr. Caldwell:

Q. Does that include bolts?—A. That includes bolts.

Q. And nuts?—A. And nuts.

Q. And each piece of wood that is in it?—A. What I mean by that is that if two pieces of wood go to make one thing, they are only reckoned as one.

By Hon. Mr. Sinclair:

Q. If you could tell us what drawback you get on the export, it would be of some use to us.—A. I have no figures in regard to the tariff. I have figures

of other things. I am prepared to come back here again and give you all these facts and figures. I was not asked to do that, and I am trying to fulfil as far as I possibly can the request made of me by this Committee.

By the Chairman:

Q. I would like to ask a few questions before you pass on. Mr. John F. Reid in his evidence made some comparisons between prices in the United States and in Canada.

WITNESS: I am coming to that point, and I will be glad to take it up at that time. I have some figures upon that.

By Mr. Gardiner:

Q. I would like to ask another question. Have you started to standardize your bolts yet?—A. Yes.

Q. That is a good thing?—A. We are members of the Standardization Committee which was formed in Ottawa in connection with the Department of Agriculture some time ago. We have had our experts meeting from time to time with the experts of other companies, in an endeavour to standardize everything that could possibly be standardized.

By Mr. Milne:

Q. Have you met with any success during the past year?—A. Yes, we have, especially in bolts and nuts and some other things.

Q. Have you made any progress in sections and guards?—A. No, we have not. It is difficult thing to standardize sections and guards, when there are so many machines on the market as there are at the present time, but we are not without hope that something may be done yet in that connection.

I close by saying that our refinement involved added costs. Comparison has also been made of drill prices in 1913 and 1923, but we contend that such a comparison is unfair, for the reason that the drill of 1923 is much better and more efficient than that of 1913. A great many improvements, some of which have increased the cost considerably, have been made. A few of these are:

1. Steel grain box, which is much superior to the wooden type.

Some may think the wooden type of grain box is better than the steel.

By Mr. Sales:

Q. We do not think so.—A. I am glad to hear that.

The CHAIRMAN: That settles it.

Mr. SALES: You do not need to laugh. Anybody who is a farmer knows that wood will warp more than steel. The steel box is meeting with universal favour, there is no doubt about that. I know what I am talking about.

WITNESS: The next is the pulley type hitches.

3. Improved bottoms, particularly double discs.

By Mr. Gardiner:

Q. Have you improved those?—A. We have.

Q. Very much?—A. Yes.

Q. It was needed.—A. We do need improvements sometimes. The next is improved conductors. In this way, I might point out the changes for the better made in every other implement during the last two years, all of which have been of material benefit to the farmer, but which have also involved heavy expenditures on our part and consequently increased costs.

Now we come to United States and Canadian prices, Mr. Chairman. It has been suggested that there seems to be a discrepancy between the prices of implements in the United States and Canada.

By the Chairman:

Q. The suggestion is made quite forcibly too.—A. Yes, it is. To make a survey of retail prices at this time would be futile and misleading. The market is flooded with implements placed on it at bargain rates through over-production, financial pressure and liquidation.

By Mr. Sales:

Q. Which markets?—A. United States markets.

Q. I had not noticed it in Canada.—A. The United States markets. It is not long since one of the representative United States machine companies had to face a crisis and submit to a complete financial reorganization. Another of 71 years standing has just recently announced that it is retiring from business, and a third is in the hands of its bankers. Other concerns might be mentioned which are similarly embarrassed. The stocks of all such firms must be turned into cash, and the prices at which they are disposing of their stock do not reflect present day manufacturing costs. Canada has an instance of the same kind in the Province of Quebec, a concern which has expended millions in plant and equipment and is to-day in the hands of a receiver. I said there was not in Canada any such company, but there is one in your own Province, Mr. Chairman. We are informed that this company is offering machines at about 50 per cent under cost to relieve its financial difficulty. That information came to me through a letter I received on Monday morning last.

Q. Is that in the Province of Quebec?—A. Yes.

Q. I thought the farmers of the province of Quebec were prosperous.—A. I hope they are.

Q. If a farmer is not prosperous, he cannot buy machinery?—A. No, he cannot. The Grain Growers of Western Canada, unable to make a success of their machine business in 1920, 1921 and 1922, sold their stock at prices at which they could not be produced. In their last annual report they stated:—

> "Your directors decided to cut the price of machinery 40 per cent, the loss resulting therefrom being absorbed in the operation of this department."

Under such circumstances it can be very readily seen that to-day prices are demoralized. It is extremely difficult to obtain comparable prices.

It should, however, be noted that machines bought under the circumstances described are likely to prove very expensive in the long run to the farmer, since the firms manufacturing them are going out of business, and, therefore, cannot stand behind their product and cannot guarantee purchasers repair parts when required. This is in strong contrast to the policy of those well-established implement companies whose case we are stating to-day, who have been in business many years, have invested a large amount of capital in their enterprises, and stand behind their product and have undertaken to guarantee that practically no matter how long ago a machine was bought, the purchaser can obtain necessary repair parts. For example, the Massey-Harris Company supplied a farmer a short time ago with a complete knotter for a binder which had been sold to him 37 years ago. That is not an isolated case, by any means. Relative prices, however, in the United States and Western Canada were thoroughly investigated some time ago when conditions were more normal and, in the words of the report then made, it was found "that relative costs of implements to the Grain Growers in the United States and Canada had been grossly misrepresented". Let me explain. The mode of distribution in the two countries is entirely dissimilar. In Canada we sell every dollar's worth of our goods direct to the consumer through the medium of a commission agent. He is our agent,

not a commission agent. We have nothing to do with commission dealers. We set the retail prices, which are uniform over large zones and vary simply to the extent of the difference in freight rate from one zone to another. Our goods are delivered free of charge at the customer's nearest station, and now include the sales tax.

In the United States by far the largest percentage of the business is done through dealers who buy their goods from the manufacturers and fix their own retail prices. Such prices vary in accordance with the dealers' judgment as to what is a fair margin for expense and profit, so that many different retail prices will be found in the same State. Secondly, their sales are made, based to quite a large extent on the price at their distributing centres, the customer paying local freight. Thirdly, there is no sales tax in the United States.

Just prior to the outbreak of war, Sir Thomas White, then Minister of Finance, sent a special Customs official into Minnesota, Dakota and Montana, to inquire as to prices, and this officer's report was quoted by Sir Thomas White in Parliament and is recorded in Hansard of April 30, 1914, No. 70, page 3257.

We have figures of our own, procured by having sent an official of the company at two different periods over this ground to secure at first hand retail prices. Our figures are somewhat more favourable than those secured by the Customs official, who naturally on such a mission was inclined to quote rather the lowest than the average prices. However, we are quite content to rest our case upon the official figures given in this report, and set out in the above-mentioned issue of Hansard.

Summarized, the analysis showed that the price of an eight-foot binder at Fargo, North Dakota, taking account of the different equipment, was $9.50 less than at Winnipeg, but the difference in freight alone accounted for half the difference in price. If prices had been given in Minnesota, near the Canadian border, the difference would have been very considerably reduced. The binders are equipped differently, and after making allowances for certain equipment the difference between a binder at Fargo and at Winnipeg was $9.50.

By the Chairman:

Q. Would the equipment be more expensive on a Canadian binder—A. It is not a matter of expense, it is a matter of certain parts. At that time in the West there were two knives furnished with each binder, while in the United States there was only one knife furnished.

As between Valley City, North Dakota, and Morden, Manitoba, taking the extra equipment into account, the difference was $7, and the same difference applies as between Devil's Lake, North Dakota, and Pilot Mound, Manitoba. We took these places because they were close together in the two countries, right on the boundary.

Comparing Minot and Lansford also in North Dakota with Virden, Reston, Napinka and Melita, Manitoba, when the difference in equipment is taken into consideration, the farmers near these Canadian towns had an advantage over the farmers in the vicinity of Minot and Lansford of $3 per binder. In other words, the Canadian binder, our binder, sold for $3 less than it could be bought for in those cities across the border.

Q. In 1914?—A. In 1914. Therefore the average cost to the farmer in all Southern and Central Manitoba was but very slightly more than to the farmers of Minnesota and Dakota to the south of them. Certainly the average difference was not equal to the average difference in the freight rates. The price at Williston, North Dakota, compared with Regina and Weyburn, Saskatchewan, or any other place within the large radius of Regina was $7 higher than at Canadian points, or the amount of the full value of the extra equipment.. The price of an eight-foot binder at Havre and Billings, Montana, was $22 greater

than the price of an eight-foot binder at Maple Creek, Saskatchewan, directly north, $29 greater taking into account the extra equipment on the Canadian side.

From these figures it will be seen that the Saskatchewan farmer buys his binder cheaper than the farmer south of him in North Dakota or in Montana.

Comparing Grand Falls, Montana, the farthest point west quoted by the Government official, with all of Alberta, and taking into account the extra equipment with the Canadian binder, there was a difference in favour of the price of the Canadian binder of $27.

Now I want to speak of another matter, the purchases of the farmer. The farmer has to buy many things.

The CHAIRMAN: Before you get away from the question of comparative prices, are there any other questions you want to ask?

By Mr. McKay:

Q. I was wondering whether you firm manufactured wagons, and whether those differences would hold good in all your manufactures?—A. The Massey-Harris Company do not manufacture wagons. The Bain Wagon Company, which is largely controlled by the Massey-Harris Company, manufacture wagons. The investigation referred to was conducted only in respect of binders. I do not know whether it would apply to the case of wagons or not. However, I want to say that I did get a price only two days ago of a wagon similar to the wagon we sell, on the other side, at points which might be compared with these points. The difference in price was only three or four dollars. At least that is my recollection of it.

Q. Would you feel safe in saying that this ratio carries out in lines other than binders?—A. The exact figure was $7. Our wagon was $7 higher than the wagon at these other places in the United States.

By the Chairman:

Q. A wagon costs how much?—A. Well, this wagon was a three and a half inch arm, a three and a half inch tire, a complete wagon in every respect. That was the actual price, less the sales tax, in order to compare it with the corresponding price on the other side. It was $161.95, and on the other side it was $168.50.

By Mr. Caldwell:

Q. Would your prices compare with the International Harvester Company's prices in Canada and in the United States?—A. I do not know what their prices are in the United States, because they do their business totally different to our way. They sell their goods to dealers and let the dealers fix their own prices.

Q. In the United States?—A. In the United States. We deal only in one way, that is, direct to the consumer through a commission agent.

Q. Do you sell in the United States?—A. No.

Q. Are you contending that there are only exceptional times when the price of machinery is cheaper in Canada than it is in the United States?—A. No. I say there are times when it is impossible to get comparable prices, and this is one of the times when things are very upset.

Q. What would you say about 1920?—A. The same condition would apply. The companies have been struggling in the West. Mr. Sales will know it in the West.

Q. I live within six miles of the American boundary, in the eastern part of Canada. I live in New Brunswick, and there is always a great difference between the prices in New Brunswick and prices in the State of Maine. Right

here I wish to contradict a statement made by Mr. Vincent Massey. I gave some evidence before the Tariff Commission in 1920. I had the International price list in New Brunswick and the price in Maine. I am sorry that I have not the Massey-Harris prices with me. I quoted a mower at $90 in Maine and $97.50 in New Brunswick, the International Company's mower. Mr. Massey's explanation is different from yours. I have a copy of his reply given before the Tariff Commission a few days later. The Chairman of the Tariff Commission very kindly sent me a copy of Mr. Massey's evidence. Here is what he said:

> "With reference to Mr. Caldwell's statement comparing an American firm's prices in Maine and New Brunswick, we would say that we sent one of our officers to investigate the prices there for comparison with those in New Brunswick, and particularly to look into the prices quoted by Mr. Caldwell. Our representative found the source of Mr. Caldwell's information, and his figures should be modified, first, by the fact that he quoted cash prices in Maine and time prices in New Brunswick."

I immediately got the Massey-Harris price list that our local agent was selling at in my own home town, and I found that the cash price was $99 instead of $97.50, and their long time three years price was $114. The time for the different periods of one, two and three years would vary in price from $97 to $114 with interest. So that Mr. Massey did not deny the main point that I was paying the time price in New Brunswick. You know your Canadian price list showed $97. Do you know your long time price in 1920?—A. I don't know.

Q. You should know. You are making definite statements here to-day. I have lived within six miles of the boundary line ever since I was a boy, and I never knew a time when machinery was not brought in or could not be brought in, and after paying the duty the price would be about the same?—A. I have not got with me all of our price lists. I have our price lists for the places I thought you were chiefly interested in. We issue price lists in eleven different zones.

By Hon. Mr. Sinclair:

Q. All Canadian?—A. All Canadian. I have not the price list for New Brunswick, and that is why I don't know.

By Mr. Caldwell:

Q. I am sorry, but perhaps you did not know that there were New Brunswick members here?—A. I did not know. All the investigations so far have been regarding the Western prices.

Q. I am going to emphasize the East now. I am going to give you the prices I gave to the House last year, not from hearsay. I had the International Harvester prices in New Brunswick, and in their price list they set the prices to the farmer. They did not sell to the jobber. For a ten foot hay rake with 32 teeth, the price in Canada was $52.50, and in the State of Maine $43.75 a difference of $8.75. A six foot mower cost in Canada last year $99, and in the State of Maine $83.75, a difference of $15.25. A six foot binder with bundle carrier complete in New Brunswick was $235.50, and $200 in the State of Maine. A six row potato sprayer of which we use a great many, cost $185 in Maine and $235 in New Brunswick. Those were the prices to two farmers living side by side with an imaginary line between them. I have never known a time when there was not that disparity between them. The International Harvester Company's machines are made by the same company, but I do not know that they are all made in the same factory. There is no duty. They can send them from the United States to Canada without duty.

The CHAIRMAN: The statement made by Mr. Caldwell reminds me of a statement made by Senator Gilmore of New Brunswick, who said that the only difference between him and his border neighbours was that they were free traders by night and he was a free trader by day.

Mr. SUTHERLAND: I think that if we are going to have sworn evidence on one side of the case, we should have it on the other.

By Hon. Mr. Sinclair:

Q. Could you give us a comparative statement of the prices in Ontario and the West?—A. The difference between Ontario prices and Western prices, yes. They have been furnished in that report to the Dominion Bureau of Statistics, and you will find them there.

Q. They are different?—A. Yes, sir.

Q. What are the factors that determine the difference in the prices?—A. The only difference in the prices is the difference in freight. The freight is added, the additional freight is added for the convenience of the implement men in the West.

Q. You do not have an equalization of freight rates to determine the price?—A. No.

Q. You charge in zones?—A. Yes. For example, we have a price for Winnipeg, we have a price for Regina, we have a price for Calgary, we have a price for Saskatoon, we have a price for Edmonton. The price is determined by the factory price here and the freight added, whatever that freight is would be the additional freight. There is only one price.

Q. The farther away from the factory the higher the price?—A. Yes. It has to be that way. It cannot be any other way.

By Mr. Milne:

Q. Before you proceed, you spoke of an investigation the Finance Department carried on?—A. Yes.

Q. Did it go to all that trouble to ascertain the prices of binders?—A. No. I do not know whether their investigation was confined to a binder; perhaps it was. If you will look up Hansard you can easily find out. The binder is the great implement. The other implements follow more or less the binder in price.

Q. What farmer's equipment is represented by the binder?—A. The binder is the most expensive implement. It represents about one-quarter of his investment in ordinary implements.

Q. There is not so much difference between a binder and a drill, is there?—A. There is some.

By the Chairman:

Q. Take a thirteen foot single disc ordinary drill.—A. There is $147. There is a great difference between $233 and $147, nearly $100. Are you referring to the West, or to the East?

Q. I do not care which.—A. Let us take the East. For a seven-foot binder, the price is $233 in the East, and a thirteen single disc drill is $147.

Q. Give us the 22.—A. There would not be a twenty-two in the East, because we do not use it.

Q. Mr. Bradshaw, I am just looking at these figures supplied by the Dominion Bureau of Statistics, as given for a 6-foot binder in January, 1923, and the amount is $214.—A. Is that a 6-foot binder?

Q. Yes.—A. I am quoting 7 foot. Now, if I might proceed, because you will probably want to hear some one else besides myself. The farmer, even as the city dweller has to buy many things besides his tools of production; and whereas he purchases an individual implement but once in ten or twelve years,

food, clothing, and miscellaneous tools and furnishings are a source of constant outlay. With this in mind, it is interesting to note as compared with 1913 prices, farm implements have(on the average) increased in the neighbourhood of 64 per cent. According to the figures prepared by the Dominion Bureau of Statistics,

Clothing	76 per cent.
Hardware, etc.	86 per cent.
Lumber	79 per cent.
Miscellaneous (chiefly crockery)	89 per cent.

By the Chairman:

Q. Let us see if you have the same figures as we have, we have had a very complete list—

By Mr. Caldwell:

Q. Did I understand the witness to say that the price of a binder would represent 25 per cent of the cost of the farmers' machinery?—A. Not all, his important tools.

Q. That is hardly true in New Brunswick, in the potato growing country. A. It may not be, but I am taking his actual tools.

Q. We have a great many more tools than the grain grower has, we have all his tools, and then we have the cultivator, sprayer, and digger.—A. Yes.

Q. Some of these are not on the grain farm at all.—A. You have a greater variety than the western farmer, but the western outfit is much heavier. The index price of clothing is 176, hardware 186, lumber 179—

By the Chairman:

Q. Excuse me, sir; as we both got our figures from the same source, they should agree.—A. Yes, sir, it is on the second page, I think.

Q. The figures given to us, the retail price of clothing, the city price, brings up the total index for clothing, giving 1914 as 100, because they do not have 1913, comparing the fall of 1914 with the fall of 1922, it gave it as 160.1.—A. That is the city price, we are comparing country prices which are in the next column.

Q. This country price is 175.9.—A. I have made it 176 in round numbers.

Q. Very well, that is the same figure.—A. Yes.

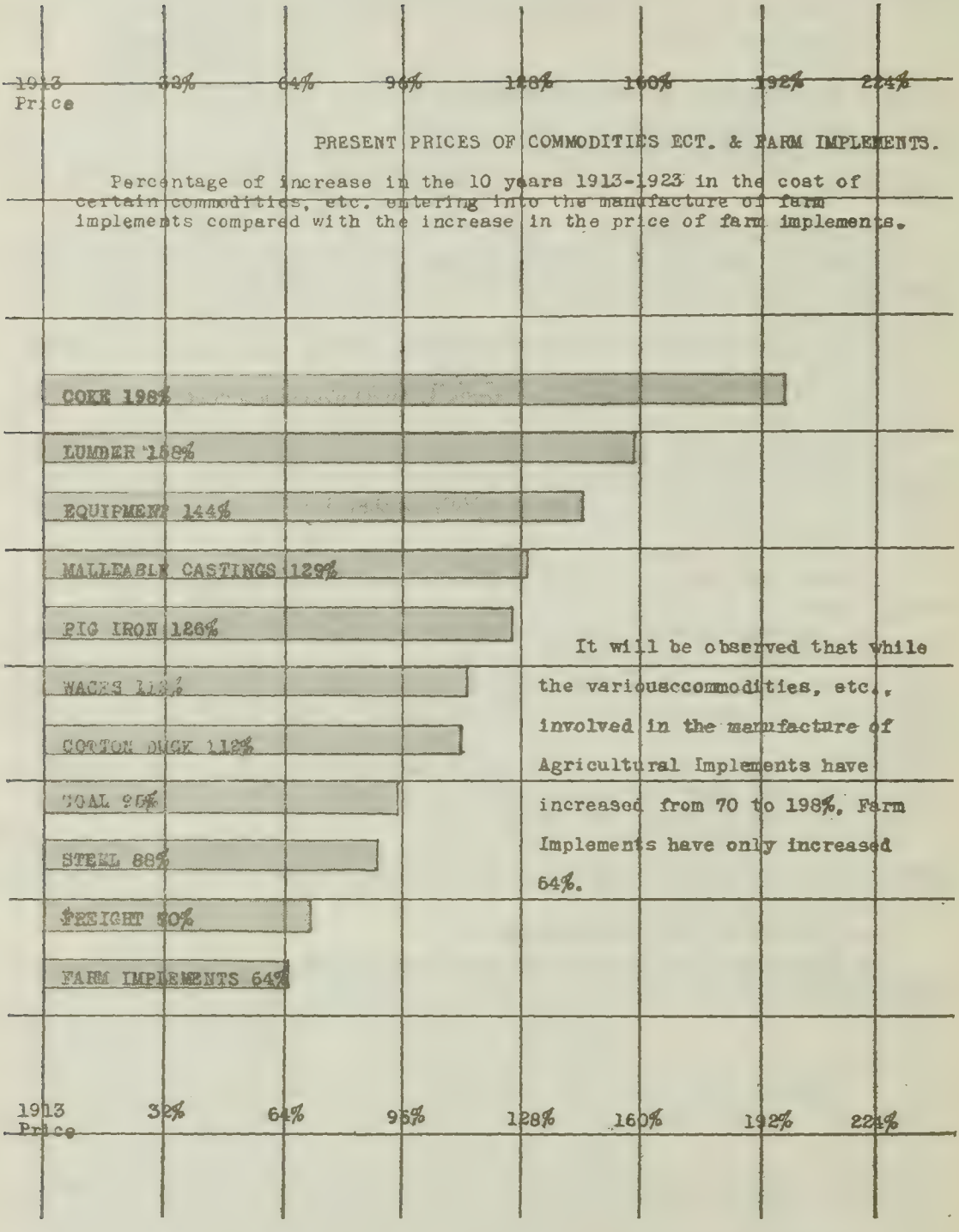
Q. Hardware is what?—A. 186.

Q. Lumber 179?—A. Yes. Now, just in order to bring this graphically before you, a chart has been prepared that I would like to give to the Chairman, so he may have a look at it.

The CHAIRMAN: We will publish it.

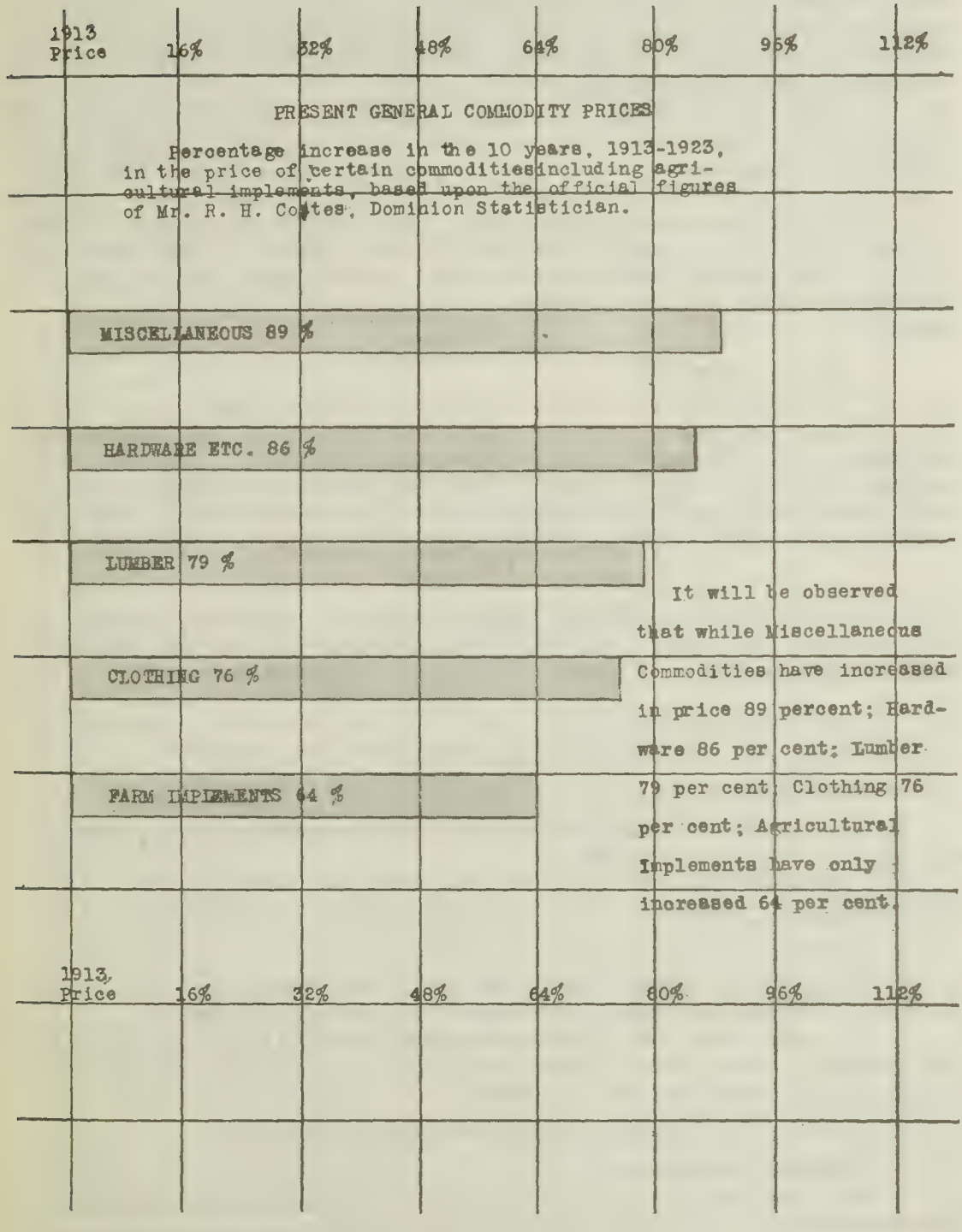
The WITNESS: They are helpful sometimes in getting a clearer understanding of the subject.

EXHIBIT No. 114



APPENDIX No. 3

EXHIBIT No. 115



By the Chairman:

Q. These Exhibits show in graphic form the increases in different commodity prices as compared with farm implements.—A. Yes, sir. Now there is another little comparison which I think is worth while bringing before you, which has a bearing upon the price of implements. Recently an investigation was made of the cost per pound of agricultural machinery and other manufactured goods, in which were involved somewhat similar material and labour. The results bear out the point made above, that the price of farm implements is not out of line with that of other articles.

Q. Forgive me breaking in here, but I would have liked, Mr. Bradshaw, if you could have graphically shown the price which the farmer realizes for his commodities along with and compared to the prices.—A. I think I have anticipated that also, Mr. Chairman, and I will try to bring that before you in a few minutes. It was found, for example, that a kitchen range costs 18 cents a pound; take a lawn mower, that costs 27 cents; take a garden spade, that costs 32 cents; take a washing machine, that costs 31 cents; take the cheapest automobile, that costs 33 cents; take a sewing machine, that costs 47 cents a pound.

By Mr. Hammell:

Q. Was that a Ford or a Star?—A. That is a Ford machine, a good touring car. Whereas the cost of a binder with all its refinements was only 14 cents per pound. It is not that we wish to make comparison with the product of other concerns, but we do want to show to you that the cost of agricultural implements, the prices of agricultural implements are not out of the way. I am going to give you the rates of these different things so you can see it that way.

By the Chairman:

Q. You might have gone ahead and stated that a watch was so many dollars per pound.—A. What I said was, if you remember, my text was, "Of somewhat similar material." A watch is not made of similar material.

By the Chairman:

Q. Would you compare a sewing machine?—A. Yes, sir.

By Mr. Milne:

Q. That is rather a crude comparison; I know something about machinery. —A. Let us take an automobile.

Q. I calculate that that is in the same class as a sewing machine.—A. A Ford touring car weighs—.

By the Chairman:

Q. About 1,600 pounds, does it not?—A. 1,500 pounds, and the Toronto retail price of that car is $502, so the cost per pound is 33 cents.

Q. Are you loading on to that car the excise tax of 15 per cent?—A. I am just putting the price that a farmer would pay for that motor car in relation to the price he would pay for the binder.

Mr. Sales: The Government gets something out of that.

By the Chairman:

Q. Well, we must not interfere with you in the presentation of your case. It strikes me that the comparison is not altogether fair, because there is an excise duty of 5 per cent.—A. My argument, Mr. Chairman, is this, that the farmer is not paying more for his implements which he uses in the field, relatively, than he is for other like things. That is what I am driving at.

Q. I do not think you need labour that point, I do not think we thought we did.—A. But, Mr. Chairman, your witnesses, some of them at least, have stressed the point, and I want to leave with this Committee the impression that only fair prices are being charged.

By Mr. Milne:

Q. I think I am safe in saying that the Committee realizes that all the prices are high, but the thing we are interested in is the comparison of the selling price of the farmer with what he has to buy. That is what we want to inquire into, if there is any way to overcome it.—A. I will be glad if I can make any contribution to that, but at the same time there have been statements made here by witnesses that the prices of agricultural implements to-day in comparison with those of 1913 are excessive, and it is only right and fair that we should have a chance of saying that they are not.

Q. It seems to me that our index figures should show that clearly.

By Mr. Gardiner:

Q. You would not figure that the gearing on a Ford would be comparable to the gearing on one of your binders?—A. Very nearly. Some of the adjustments on a binder are very delicate.

By the Chairman:

Q. Mr. Bradshaw, I would like to ask this question while it is in my mind. There was a reduction in the tariff last year, a small reduction on agricultural implements of 2½ per cent, I think it was on some, and 5 per cent on others. Was that reflected in your price in any way?—A. You might remember, in connection with that reduction in the tariff, that there was also an increase in the sales tax which nullified the reduction in the tariff.

Q. Suppose I put it this way, suppose there had been an increase in sales tax but no reduction in duty, would your prices have been higher than they are? —A. I can only answer that in the light of our past experience, that wherever there has been an advantage to the farmer, wherever we have been able to get an advantage in our costs, that advantage has been passed on to the farmer.

Q. In the light of your immediately past experience, the last year, when the tariff was reduced 2½ per cent, suppose there had been no change in the sales tax, would that have been reflected in your price?—A. How could it have been, when there was no change in the duty of the materials which enter into our machines.

Q. Of course, I do not know; I am asking you the question. Suppose the sales tax had never been put on at all, and there had been a reduction in the duty of 2½ per cent on some lines and 5 per cent on others would the consumer have had to pay less for his machinery?—A. The consumer, as far as we are concerned, he would pay less if the cost of production was less. If there is anything that has entered into our manufacture that has lowered our cost, it helps us to lower the price to the consumer.

By Mr. Sutherland:

Q. How is the price of raw material to-day, as compared with 1922?—A. It is higher, very considerably higher. The prices are the highest—even higher than they have been since the war, at any time during the war or since the war. I quoted that this morning.

The CHAIRMAN: Mr. Sutherland, the witness presented an interesting chart this morning in which he displayed the different elements.

Mr. SUTHERLAND: Very well; I was not here.

By Mr. Milne:

Q. You spoke about the gearing in a Ford car, and that on a mower. Does the witness intimate that the steel cut gears are in the same class as castings? —A. No, not in the same class, but I say there are delicate adjustments on the binder that are not on the Ford car.

Q. Stick to the gearing.—A. I admit that it is not the same.

Q. If I am not mistaken, he said that they are practically in the same class.—A. I said as far as the machines are concerned, taking the two machines as a whole, there are certain parts of a Ford car which are finer than those of a binder, and certain parts of a binder finer than those on a Ford car. That is what I said. You have to take the whole, not any particular part.

Q. Mr. Gardiner asked you the question, and you said yes, they could be compared quite readily.—A. Yes, they could be compared but I do not say they are the same.

Q. How can you compare them?—A. I admit the gearing on the Ford car is finer than that on a binder, but they can be compared.

By Mr. Gardiner:

Q. Bring it down to percentages in comparison. I say they can be brought down by percentages to comparison, that is the different classes of gearing.

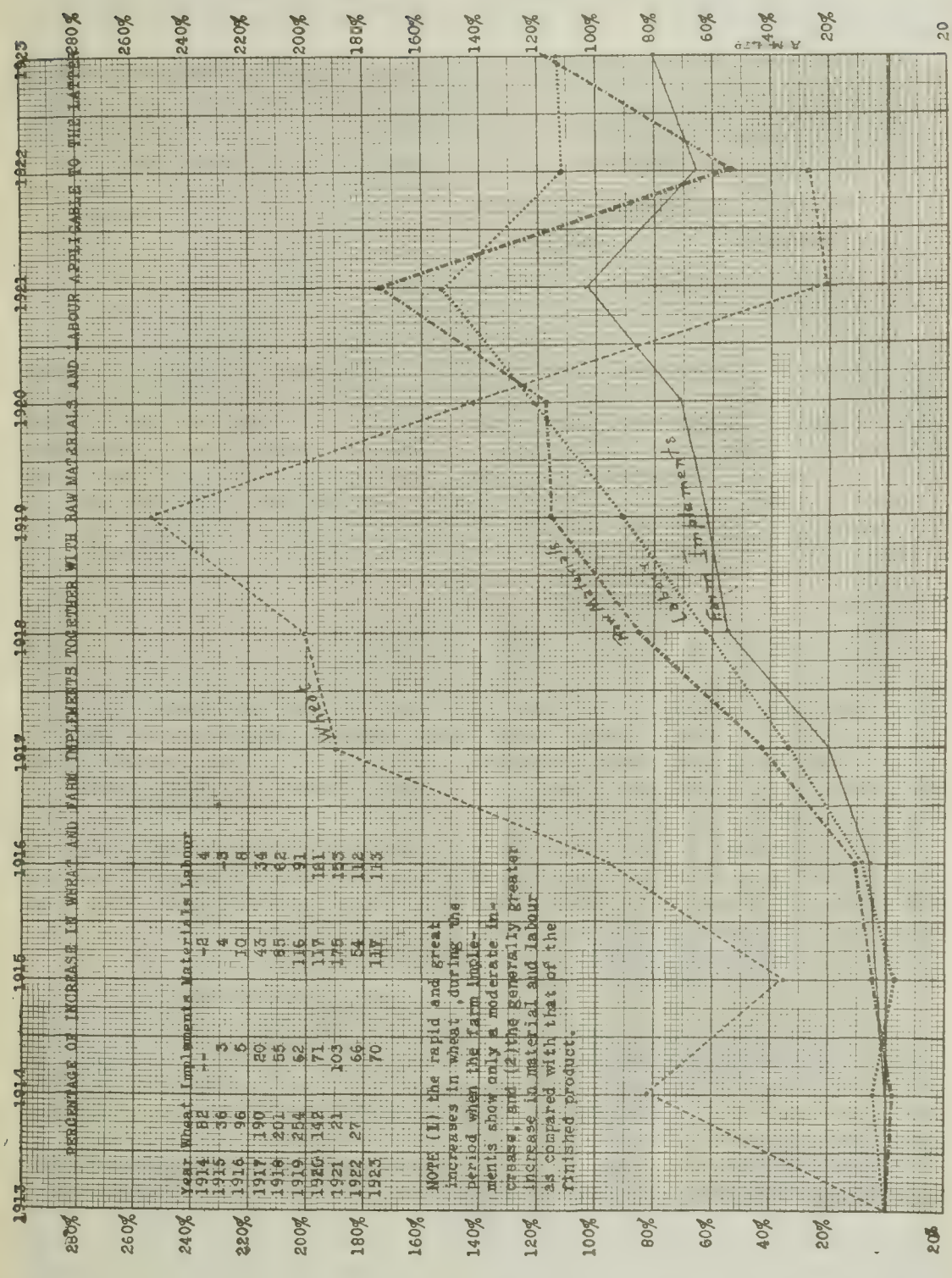
By Mr. Milne:

Q. My point was that I thought it was a wrong impression comparing a steel machine cut gear with a rough casting.—A. I was asked the question and I said they could be compared, but I did not say they were exactly the same, and I did not say they were the same because anyone would know the gearing on a Ford car is a much finer piece of work than that on a binder.

Q. That is the point I want to get.—A. Now, there is another matter I would just like to bring before your Committee, gentlemen, and I am just about finished. I would like to refer to the prices during the war period, that is between 1913 and 1917. Although we are primarily interested in a comparison of 1913 and 1923 prices, what happened in the interval is not without some application to the present. Prices of farm implements did not increase in 1914, 1915 or 1916, and in 1917 to a very limited extent only. On the other hand, prices of farm produce were rising. Thus while in 1913 $100 worth of implement could not be obtained for less than 151½ bushels of spring wheat, in 1914, it could be bought for only 80⅔ bushels, and in 1917 for 52 bushels, or just about ⅓ of what was required in 1913. This is shown graphically in Exhibit 116 which I will hand the Chairman.

APPENDIX No. 3

EXHIBIT No. 116



By the Chairman:

Q. We had that worked out by Mr. Ward towards the end of his evidence. He worked out the prices of some machinery in bushels of wheat. However, let us look at these figures of Mr. Bradshaw's, he may have worked it out somewhat different.—A. This is what I would like to present to you. In 1914 the index price of wheat was 182.

Q. What was the index based on then?—A. This is taken from the reports of the Labour Bureau.

Q. What year do you base your 100 per cent on, if in 1914 it was 182?—A. It is based on 1913.

Q. It is based on 1913? It must have been 100 in 1913?—A. Yes.

Mr. SALES: Then that is not correct

The CHAIRMAN: You can take any year you like for a basis.

Mr. SALES: No, but there was not an increase of 82 per cent in the price of wheat to the farmer in 1914.

The WITNESS: I would be glad to supply the exact source where these figures were taken from. Implement prices remained the same, materials were less, and labour was 104. In 1915, the index price of wheat was 136, it fell then; the index price of implements was 103, the index price of materials was 104, the index price of labour had fallen to 97. In 1916, the index price of wheat was 196, of implements 105, materials 110, and labour 108. In 1917 the index price of wheat was 290, of implements 120, of materials 143, and of labour 134. In 1918 the index price of wheat was 301, of implements 155, of materials 185, and of labour 162. In 1919, the index price of wheat was 354, of implements 162, of materials 216, and of labour 191. In 1920, the index price of wheat was 242, of implements 171, of materials 217, and of labour 221. In 1921 the index price of wheat had fallen to 121, implements had gone up to 203, materials to 275, and labour to 253. In 1922 the index price of wheat was 127, of implements 166, of materials 154, and of labour 212. In 1923—we have not the figures yet, it has not been determined, but the index price for all implements was 170, materials 217, and of labour 213. Now, the implement manufacturer received no more for his products, but the farmer could buy it for about one-third as much of what he produced in the price mentioned, that is between 1913 and 1919 and 1920.

The explanation is that during the early years of the year, the implement manufacturer gave the farmer the benefit of material bought before higher prices took effect and of stocks of finished goods on hand, and not until long after increased costs made it justifiable were the prices of implements raised.

Our experience was exactly that of the Grain Growers as described admirably in the General Manager's 1921 report.

"We have here" he said, "a lesson in what would have been the proper course to have taken during the tremendous and rapid increase in prices during the War. All stocks should have been marked up as the prices went up, irrespective of what the goods cost and the profits taken and set aside to care for their losses when the prices came down. Unfortunately, our company did not follow this practice."

Moreover, while the farmer's position was steadily improving that of the manufacturer was getting worse. In 1913 the total value of the Canadian field crop was $552,771,500; in 1914, $638,580,300; in 1915, $825,370,600; in 1916, $886,494,900; in 1917, $1,144,636,450. Thus, in the course of five years the value of the farmer's output had doubled, whereas the manufacturer received no more for his product and had to face material costs that were 43 per cent higher in 1917 than in 1913 and labour costs that had increased to about the same extent.

It is not that we complain at all about that, but it is a phase of the price situation that should not be overlooked when it is being considered.

By Mr. Caldwell:

Q. Mr. Chairman, I wonder if the witness could give the prices in the same order Mr. Hamilton gave them to us the other day. He gave us the price of the binder in 1914 in dollars, and the price of wheat in dollars and cents, and the number of bushels it would take to buy it at that price. These percentages are rather confusing, that is, the index numbers. If we can get this in actual price figures—as we have it here, as Mr. Hamilton of Saskatchewan gave it to us——.

The WITNESS: I will be glad to furnish any figures at all, but I will have to have time. I have not the facts here.

Q. Would you care to look at this and say what you think of it?

By the Chairman:

Q. Your price in 1920 for a binder was $286. The price of wheat was $1.55 a bushel. That means it took 185 bushels to buy a binder in that year. In 1921, the price of your binder in Regina was $331, but the price of wheat had dropped to 75 cents. Consequently, it took 445 bushels to buy the same binder in the following year. In 1922, the price of your binder in Regina was $285, and the price of wheat was 85 cents, and it took 386 bushels of wheat in that year to buy your binder.—A. Will you continue those comparisons? I will be glad if you compare the prices for the years 1913 to 1919.

Mr. CALDWELL: We have from 1914 up.

Mr. GARDINER: I have not the price of the binder in 1914 or 1915.

By Mr. Caldwell:

Q. In 1914 it was $170. Wheat was $1.48 a bushel, and it took 115 bushels. In 1915 the binder was the same price, and wheat was 91 cents a bushel, so it took 187 bushels.

The CHAIRMAN: Forgive me if I put in an observation. We can, I think, work out these without the witness, and perhaps he has a good deal to say, and we do not want to sit to-night. I am just making that suggestion.

Mr. GARDINER: The only point is the comparative amount of wheat it has required during these last few years to buy a binder, in comparison with the previous years.

Mr. CALDWELL: I think it would only take a very few minutes to go over this.

The CHAIRMAN: We have had it all from Mr. Ward before.

Mr. CALDWELL: Yes, but I would like this gentleman to tell us whether he agrees with these figures or not.

The CHAIRMAN: These are statistical figures, it is merely a question of arithmetic, and I am sure Mr. Bradshaw has the same knowledge of arithmetic as we have.

Mr. CALDWELL: Very well, if there is no dispute.

The WITNESS: In closing, I would like to say this. The situation, therefore, may be briefly summed up as follows.

Machines which are being sold to the farmers to-day are being manufactured out of materials which have increased 138 per cent and with labour costs which have increased by 113 per cent with items of factory expense which have increased from 80 to 127 per cent, with new equipment which has increased in cost from 96 to 188 per cent, with additional charges such as sales tax, which adds approximately 7½ per cent to the cost and with outward freight charges

which have increased by 44 per cent. Moreover, costly improvements have been added which make present day machines much more valuable to the farmer than those of pre-war days. In spite of all these factors, our prices to the farmers are to-day only 64 per cent greater than in 1913, an increase which is less than that in most of the commodities which he purchases. Finally, it is a well-known fact that implement companies during the war did not make extraordinary profits, and consequently cannot be accused of having increased prices for their own advancement and interest, and since the war it is equally well known—and has been shown here to-day—that instead of making profits, their losses have been tremendous.

By Mr. Caldwell:

Q. Might I interject a question here. You have been comparing the Ford car to the binder, possibly rightly so. How do you account for the fact—and in comparing them we admit that a great deal of the same material goes into each. The price of the Ford car has decreased, since 1914, 31½ per cent. —A. That is very easily explained. Within that period, what has happened to the Ford cars? Do you not think that when they charged these prices away back in 1913 and 1914 for a Ford car, that the dealers were charging a very high price for it? With what result? There has been built up one of the greatest industries, one of the wealthiest industries in the world to-day.

By Mr. Sales:

Q. That is similar to the Masssey-Harris Company?—A. Not in such a short period of time. The Ford Company is producing cars at the rate of hundreds of thousands, and we are only producing our machines at the rate of thousands, and therefore in mass production, machines can be produced at a greatly lessened cost than they can when they are only produced in small quantities.

By Mr. Caldwell:

Q. The witness told us that when they commenced, the company had a capital of $60.000 paid up, or $125,000, and they paid out $10,000,000 in dividends.—A. That was away back, when their prices were extraordinary. Their prices are low now.

Q. They were able to beat out the other companies in competition. I admit their prices are high.—A. In those days we only got $170 for a binder, when the Ford Company was getting the present-day price almost for his machine.

Q. Their price has decreased 22½ per cent, since 1914, and yours has increased.—A. Yes, quite so.

Q. And we still think that the price of the Ford car is too high, as compared with the American price.

By Mr. McKay:

Q. I hold in my hand a supplement to the Weekly Bulletin of the Department of Trade and Commerce of Canada. The title is "The Trade of the New Countries of Southeast Europe." It is a report made by Mr. L. D. Wilgress, Canadian Government Trade Commissioner, and is issued by the Right Hon. Sir George E. Foster, Minister of Trade and Commerce (1921). How many machines of your company were sold in Roumania in 1919?—A. I do not recollect, but we sold quite a number.

Q. I see here under the credit granted by the Canadian Government as follows: (page 60), "With the machines purchased from Canada last year (1919) there is a sufficient quantity of binders in the country, but a shortage is felt in mowers and reapers. Under the credit accorded by the Canadian Government, 3.000 Massey-Harris and 150 Frost and Wood binders, together with

a large quantity of spare parts, were imported into Roumania, and these machines are now being offered for sale by the Government to the peasants and landowners at a price of 3,520 lei each. This is the cost price of the machines figured at a rate of exchange very much below the present rate." Taking into consideration the rate of exchange, that would represent in Canadian money $130 each.—A. Yes.

Q. Sold by the Roumanian Government under the credit afforded by the Canadian Government?—A. Yes. What is the point?

Q. The price?—A. We cannot control what price the Roumanian Government offers the binders to its peasants for, who are probably labouring under great hardships.

Q. The point I was making is your price of sale to the Roumanian Government?—A. Well the machine was sold to the Roumanian Government as stated by Mr. Findlay. Is the point, that we sold those machines at less than the price of home machines? Is that your point?

Q. I am asking for information?—A. What is the information you desire?

Q. What price did you get from the Roumanian Government per machine? —A. Well, now, I cannot tell you, but I can say this. I think, without any hesitation whatever, that the price that those goods were sold to the Roumanian Government for would be a great deal higher than the price they would be sold for in Canada.

By the Chairman:

Q. Why? You got Canadian Government cash for these machines?—A. There would be special equipment, and most certainly there would be freight.

Q. You got the price at the factory door. I do not see why you sold them higher when the Canadian Government supplied the money.

By Mr. Caldwell:

Q. Does he mean to say that the Canadian Government paid him a higher price to send his binders to Roumania?—A. I do not know. That transaction, I think, was entered into before I was with the company.

By the Chairman:

Q. But your recollection?—A. I do not say my recollection. I only say on the statement that is generally known, that those binders would not be sold for less.

By Mr. Caldwell:

Q. Might we have that information?—A. I will send the information.

By Mr. Hammell:

Q. It is not the amount that the Massey-Harris Company received, it is the amount for which the Roumanian Government sold the binders to its people?—A. Yes.

By Mr. Caldwell:

Q. Might we ask the witness to furnish that information as to what they got for those binders?

By Mr. Sales:

Q. And what the difference was in the binder, so that we will know the whole thing?—A. Yes.

By the Chairman:

Q. You were stating the increases of cost of manufacturing a few moments ago, were you not?—A. Yes.

Q. I would like to have your cost of production and price dissected, so much for material, so much for overhead, indicating what you segregate under overhead, and what you segregate as labour, and what you call labour, and what you call material?—A. May I make this remark? The manufacturers of agricultural implements to-day, have not any costs. It may be a remarkable statement to make, but they are going along more on faith than anything else. The way in which materials are jumping around, the way in which production is being made, they have no settled cost to-day.

Q. They walk by faith, not by sight?—A. We have got to do it. The machines we are selling to-day, and the machines we sold last year, we are losing money on.

Q. How do know that?—A. Because our statement shows it. Last year we lost $500,000, and the year before $200,000.

Q. It seems an almost incredible statement that a company with a capitalization of almost $26,000,000, that has been in business for seventy years, which is one of our foremost institutions in this line of business, does not have the most accurate and meticulous system of cost accounting. It seems almost incredible?—A. What I said was this, that no cost statement would reflect the cost price of machines. I did not say we had no system. I would not like it to go abroad, because it is not the case, but on account of the tremendous variation in prices, for example, prices to-day are increasing steadily. Coal and coke and steel are at the maximum price, and we are manufacturing goods to-day out of steel and coal that we purchased a year ago, but we have to manufacture our goods for next year out of materials that cost us the peak price, and they are not merely moving from year to year, or from six months to six months, they are moving from almost month to month. Every agricultural manufacturer is up against the same proposition as we are.

Q. Now, suppose I walk into your factory in Toronto, and I see a large number of binders that you had produced last month, could you not tell me what those cost you, and what the constituent elements of that cost were?—A. Yes, that could be done, but what I say is this, that we would not submit those figures as our costs, because they are not our costs. Our factory was running last year, and is running this year, under abnormal production. We ran last year, with all of our overhead expenses, only one-third of capacity, and that overhead had to be absorbed in the production of the year, but we cannot reflect that in the prices which we charge for our machines. This year we are running at approximately 50 per cent of our full capacity. Our overheads are higher than what they would be under normal conditions, and therefore the production this year is not as cheap as it should be if we were running under normal conditions.

Q. That is perfectly plain, but the consumers of this country have got to pay to-day a certain figure for a binder.—A. Yes.

Q. I would like you to figure up what that binder costs you, and I would like you to send it to the Committee. We have heard from you an explanation which is perfectly reasonable on its face, and we realize that your material has cost you different prices from month to month, because prices are not on the level—we realize all that, but, at the same time, we would like to see just what these machines are costing you.—A. I must confess that I cannot and could not give that information, because I think it is impossible. It is not because we cannot, but I cannot see how it is possible to do it, and I say the same statement would be made by other manufacturers.

Q. Supposing you describe to the Committee what system of cost accounting you follow, so that we may be able to appreciate your statement that you cannot give us the cost of the binder made to-day in your factory.—A. We have no system of cost in regard to our present production, because we are ignoring those costs. We are ignoring the cost that we have, because the conditions are fluctuating to such an extent that we cannot recognize them as being applicable to to-day's situation.

Q. Tell us the system you had before, and how you departed from that system.—A. We took the price of material, labour, our overhead, but you cannot do so with to-day's production. That would apply to 1913, 1914, and other years when prices were fairly steady.

Q. But, Mr. Bradshaw, you come before us with every evidence of sincerity. You say that the price that you are charging now for these machines is a fair and reasonable price, don't you?—A. Yes.

Q. That is your thesis?—A. Yes.

Q. Well, we do not deny that, but we do say to you, let us have particulars of how you make up your cost?—A. Well, Mr. Chairman, I have tried to be explicit, and I have tried to give you what is in my mind.

Q. We have to realize that we are living in abnormal times, and that these costs do not reflect ordniary costs, but I cannot for the life of me bring my mind to the idea that you do not know to within a few cents what each of the binders and other agricultural implements you turn out from your factory cost you.—A. Well——

Q. Am I wrong?—A. I think you are wrong, if I may say so.

By Mr. Sales:

Q. Have you arrived at the price which you are going to charge?—A. Yes, and our price is indicated in our list.

Q. How do you arrive at it?—A. We have arrived at it partly on account of the prices which have been charged in the past, and partly on account of the way in which the prices of competing machines made by others have been charged for.

By the Chairman:

Q. Who is the cost accountant in your factory?—A. Mr. Short.

Q. Well, do you think Mr. Short could give us this information?—A. I can give it to you, if anybody can, Mr. McMaster. I will try and get you something that will enable you to base some statement on, but I want to surround it with a statement. If you will let my explanation go with it, I will furnish it. What is being done is that figures have been mentioned. They have been mentioned without due respect to realizing what are involved in them.

Q. Suppose we do this. We are not going to keep you. We know what a busy man you are. Supposing you send your cost accountant back to us. Supposing he comes with the estimate, as closely as he can figure it out, of what to-day's cost of production is for your binder and your mower and your plough, and your other principal articles.—A. Mr. Chairman, I would prefer, if you will allow me—I would prefer to send that statement, or else I will bring it myself.

Q. We will be delighted to see you again, but we do not want to take up too much of your valuable time, but if you would like to come back, that will be satisfactory. Supposing you make a comparison of the last normal year, 1913, before the war, and that will remove any possibility of unfairness.—A. I will try and do the best I can.

By Mr. Gardiner:

Q. During normal times, Mr. Bradshaw, could you determine the actual cost of a binder; that is to say, in 1913?—A. Yes.

Q. I think that is a fair proposal, to get the cost, say, from 1913 onwards.

Mr. SALES: I am very interested, because I heard a gentleman make a statement at a very large farmers' meeting around 1913, that when a binder cost $38 to make, it was put on the train, and then cost the farmer around $175 to buy it. There was something radically wrong, and a lot of them wondered whether the $38 was the cost of manufacture.—A. May I ask where you got that information?

Q. I heard it on the platform, said by Dr. Oliver of Saskatoon.

By the Chairman:

Q. You will come back on Friday with your figures, and, if Dr. Oliver is wrong, the whole country will know that he is wrong.—A. I do not think it requires that to indicate that a statement like that is wrong.

By Mr. Sales:

Q. Other things have been quoted along these lines, like, for instance, the carload of binders that was wrecked. The railway company only paid the actual cost of producing them, which was thirty odd dollars. Now, if there is no truth in this statement, it is to the interest of the machinery company that they should disprove it.—A. I am very glad that Mr. Sales mentioned that. It is an old story and has no foundation in fact. In fact there was never a train wreck, or a binder wrecked on a train, and that statment was false and untrue. It was made by Mr. Evans.

By Mr. Caldwell:

Q. Mr. Evans, M.P.?—A. I don't remember, but there was never such a train wrecked with binders. That has gone all through the West, just like the statement about the 38 binder.

By Mr. Sales:

Q. If that is true, bring your actual figures.—A. Are we supposed to bring up every item of that kind? If we are, we will be here forever.

By Mr. Sutherland:

Q. With regard to the $8,000,000 of outstanding accounts, what relation or bearing has that upon present day prices and the losses you have sustained; have any of them been bad debts written off?—A. There are always bad debts where you give credit.

Q. $8,000,000 is a big amount.—A. Unfortunately we have suffered losses. The longer a credit is, the greater the loss will be. We have had to bear that. That goes without saying.

By Mr. Gardiner:

Q. Some of your losses are made up by virtue of the fact that the interest upon overdue notes runs from 7 to 10 per cent?—A. What do you suppose money is worth? What would you say would be a fair rate for money; what would you think, taking the maintenance of one branch with about thirty collection clerks in it? Have their salaries to be paid?

Q. Yes, certainly.—A. If implements were paid for in cash, all that would not be necessary. At Calgary we have the same thing. Every branch is the same way, more or less. In one branch they have over thirty in the collection department, and every one of those has to be paid out of the three per cent

which you mentioned heretofore, and which would be avoided if the Massey-Harris Company were placed upon a cash basis to-morrow morning and all these variations were straightened out.

Q. Take your time price in the West and the cash price, there is practically so little difference between the two that there is little incentive to pay cash. Three years ago I bought a cultivator and paid $75 cash. The time price was only $1.25 more. What incentive is there to pay cash under those conditions, when your cash and time prices are so close together? There is no incentive to the people to pay cash. I would like to suggest to you the possibility that if you have to give time, those people who get time should pay for what they receive, and that those who pay cash should get the benefit of the cash they pay, and put your business on a better footing.—A. I have just to accept your figures, Mr. Gardiner.

Q. That is the price given to me. I went on and bought the cultivator in the town in which I do business. It was one of your eight-foot cultivators, and the difference between the two prices was $1.25 as quoted to me. I paid the cash, but just the same I did not think I was getting a square deal.

The CHAIRMAN: There is the advantage to the man who absolutely has not the money; he does not have to trouble himself to get it.

By Mr. Sales:

Q. Will you bring us the cost of your distribution and the cost of your collection, so as to give a real insight into what this time business is costing; can you do that?—A. I will try and give any information I can.

By the Chairman:

Q. You will not forget the tariff and how it affects your cost?—A. No, sir.

By Mr. Gardiner:

Q. There is one other point before you go. You made the statement that you sell your implements through your own commission agents. In the small town I do business in there is a population of about 150 people. We had two or three years ago five different implement agents there. Does it not seem to you to be ridiculous that, serving as small a population as that, that we should have to keep five agents in a town like that? The position we are in to-day is due to the fact that there are not going to be very many implements sold. We do not know who the agent is from day to day. Sometimes there is one man and sometimes none. Do you not think the time has arrived when the volume of implements sold in the future is not going to be so great as in the past, and that some of the implement manufacturers should make arrangements so that one agent would make a reasonable living out of it, and the cost of distribution cut down?—A. As these implement agents are paid on a commission basis, it is difficult to see where the saving is going to come from.

Q. But the cost comes out of the implements.—A. I do not see that if you had eight in one small village it would be as high as if it was done by five.

By Mr. Caldwell:

Q. The larger the volume of business, the smaller the ratio of expense?—A. I will consider that.

Q. What was the capital stock of the Massey-Harris Company in 1910?—A. I could not say.

Q. Will you bring that?—A. I will bring that to you. I will bring you anything you want.

Q. The capital stock in 1910, the dividends from 1910 to 1920, taking the average cash dividends, the increase in capital, the increase in reserves, and

stock dividends. Could you furnish us with all that when you come back?—A. I can furnish anything you require.

The CHAIRMAN: Are there any more questions, or shall we call it a day? We worked until a quarter past twelve this morning. Mr. Bradshaw, we are obliged to you, and we will look forward to you coming back on Friday with the same pleasure as we looked for you to-day.

WITNESS: I would not like to say Friday, Mr. Chairman.

The CHAIRMAN: It is not because we wish to be disobliging, Mr. Bradshaw, but because we have an immense amount of work to do yet.

WITNESS: I just get back on Thursday, and will have to leave again on Thursday night. I would like a little consideration, Mr. Chairman.

The CHAIRMAN: We have had very many witnesses before us, and we have very many for next week.

WITNESS: Could you make it the week after next?

The CHAIRMAN: We are trying to finish next week. Will you come a week from to-morrow, Thursday of next week?

WITNESS: I will try and come on that day.

The CHAIRMAN: That will be Thursday, the 10th of May.

Mr. SALES: That will give you lots of time.

WITNESS: If I cannot come I will try and arrange it in some other way.

The CHAIRMAN: If you could send somebody who could be here on Friday, it would oblige us, because next week we have a tremendous number of witnesses to hear. If you can send us someone and have him come on Friday, it will oblige us greatly. We are not going to insist upon that, Mr. Bradshaw, but we hope you will do your best for us. In the meantime, we thank you very much for your attendance here and for the mass of information you have given to us.

This Committee will adjourn now until 11 o'clock to-morrow morning.

(The Committee adjourned until Thursday, May 3, 1923, at 11 a.m.)

HOUSE OF COMMONS,
COMMITTEE ROOM No. 268,
THURSDAY, May 3, 1923.

The Special Committee appointed to inquire into agricultural conditions throughout Canada met at 11 a.m., Mr. McMaster, the Chairman, presiding.

ALVIN GEORGE FARROW, called and sworn.

By the Chairman:

Q. You are connected with the rural credit system in Ontario, I understand?—A. Yes.

Q. Just what is your precise position and the precise name of the institution?—A. Chairman of the Agricultural Development Board.

Q. Is that directly under the Government of the Province of Ontario?—A. Yes.

Q. In what department is it? To what minister do you report?—A. The Minister of Agriculture.

Q. Now, Mr. Farrow, have you been Chairman of that Board since its inception?—A. Yes.

Q. How many years has it been in operation?—A. Nearly two years. It will be two years in August.

Q. Mr. Farrow, we are studying the question of agricultural credits, among other matters, and we would like you to give us your views, first on the necessity of rural credit, both short rural credits and long term rural credits, then on the provision which the Government of Ontario has made to meet the demand for rural credit, and thirdly, now that provision is functioning, how the Board is working. Could you just follow along these lines, if that is a satisfactory and convenient way for you to approach the subject.—A. Mr. Chairman, I think that in dealing with agricultural credits we should deal with the two absolutely separate, the two systems.

Q. When you say the two systems you mean the short and the long term? —A. Yes.

Q. Take whichever one you like first.

By Mr. McKay:

Q. They are under the same Board?—A. Yes. The long term credit, to take it up in the order in which you have outlined, I can only say that the needs for agricultural credit, insofar as we are able to ascertain them, can be best told by the demands that have been made upon us. We have received, since we have been in operation,, slightly over 5,000 requests for long term loans.

By the Chairman:

Q. Five thousand requests, aggregating about what?—A. Well, I could not give you the aggregate for the simple reason that we have only dealt with those that it would appear we could assist. Possibly I should say first that when we started in operation our Act was very much restricted. We could only loan for really three specific purposes: that of purchasing land, erecting necessary buildings, and the settlement of estates. I think it was wisely provided that it should be restricted, and as time has gone on, for instance in the 1921 session and in this last session the Act has been amended, we were able to take care of increased demands made upon us, to take care of the requirements of the farmers. The Act has been amended so that we can now grant loans in addition to those already quoted, for the discharge of encumbrances, registered encumbrances,, for tiled drainage, for the purpose of breeding live stock, for the consolidation of outstanding liabilities, and some of the other phases of the Act have been slightly amended as well, so that we can now loan for most of the purposes for which we are called upon to loan. During the first year of our operation, though, the large proportion of demands which were made upon us, we could not take care of, because of the restriction in our legislation, so that accounts largely for the fact that we have received so many requests for loans than we have been able to take care. We have granted loans to the extent of slightly over $3,600,000. We have in our possession at the present time applications for loans to the extent of $1,336,000 odd. Those applications are practically all in the hands of our inspectors, and will be reported on in the course of the next thirty or forty-five days. This is approximately $5,000,000 in long term loans. Now, that will probably deal with your first question as to the need for agricultural long term loans.

Q. I suppose it might also be stated that in nearly all the advanced agricultural countries in the world systems of long term credits do exist?—A. That is true.

By Mr. McKay:

Q. Those are loans divided over the provinces?—A. Every county in Ontario is represented and every district in New Ontario.

Q. Every county that borrowed?—A. Yes. It is by no means evenly distributed through the country, of course. Now, the next question——

By the Chairman:

Q. We are taking up long term credits by themselves. I think you are wise in dealing with it in that way. We have taken up long term credits. Now, as to the provision which your Ontario Government has made for meeting that need, I would suggest you might give us a brief historical sketch of just what have been done and what the system is at the present moment.—A. Of course this arose out of the legislation of 1921, and by that we were able to grant loans to the farmers on twenty year terms, all on first mortgage securities, with the payments on an amortized plan of repayment, and we have built up an organization to take care of these demands in this way. First, I had possibly better deal with the way it is financed. Under the legislation we are permitted to sell our bonds and debentures to the Provincial Treasurer.

Q. When you say "we", to whom do you refer?—A. The Agricultural Development Board.

Q. The Agricultural Development Board has the right to issue bonds and debentures?—A. Yes.

Q. You might just explain what the difference between bonds and debentures is.—A. We can issue bonds up to $500,000. That is really to provide us with working capital. After that we have to issue debentures, against which the first mortgages are hypothecated and set over as security to the Government for those debentures.

Q. I will just ask this question. Your farm loan bonds, are they an obligation of the Provincial Government?—A. Yes.

Q. Are they endorsed by the Government?—A. No, they are provided for under the Statute, under the Act. The liability of the province would always be confined to our bonds, for the reason that our debentures are secured by first mortgages on Ontario farm lands.

Q. Are these debentures endorsed by the Government?—A. No, these debentures are purchased by the Government, by the Provincial Treasurer at the present time.

Q. The debentures are, as well as the bonds?—A. The bonds that have been issued up to the present time only amount to $200,000. We have felt that that was sufficient to permit us to operate, so that at the present time the obligation of the province directly is confined to that. Our debentures, which have been, up to the present time, $2,188,000—because that is all the cash we have actually paid out—are secured by absolutely good first mortgages on Ontario farms, and these credits are hypothecated against the debentures in $100,000 lots.

Q. These debentures which have been sold to the public have been absorbed by the Treasury?—A. Yes. I might state that the Agricultural Finance Act, which was passed, at the time these other Acts of ours were passed the Agricultural Development Act, and the Ontario Farm Loans Act, provide that the Provincial Treasurer can use the deposits received in the Provincial Savings Offices to purchase our bonds and debentures.

Q. Could you tell us first of all, what amount of bonds have been purchased by the Government?—A. $200,000 have been purchased in bonds.

Q. What amount of debentures have been purchased?—A. $2,188,000.

Q. That makes $2,388,000. That is the amount which the Government has invested in this scheme, so to speak?—A. That is in the long term scheme.

Q. Dealing with long term?—A. Yes.

Q. What sums has the Government received through its Savings Department Branches? Can you tell us that?—A. No, I could not tell you that. The Provincial Savings Offices are not under the Agricultural Department Board, and we are not directly connected with them.

By Mr. McKay:

Q. I am told this morning there are over six million dollars now. The last figure was over five million dollars.—A. I think that is correct.

By Mr. Elliott:

Q. You speak of the money derived from the sale of farms for operating expenses. Is that what I understood?—A. No, for capital, really the same as in a private concern. It would be a Share company. You have to have a surplus at all times between what is actually paid out to the borrower and to go and come between that and what is required from day to day.

Q. Your operating expenses will be taken care of out of this fund? A. Oh, no. Our operating expenses are taken care of either out of our earnings or met out of consolidated revenue by the Government.

By Mr. Sales:

Q. Can you tell us at what rate you get your money from the Government? —A. Our bonds and debentures both bear five per cent interest.

Q. And your loans to the farmer?—A. On long term loans, six per cent.

Q. Does that provide for the operating expenses, that one per cent?—A. Not at the present time.

Q. It does not quite cover it?—A. No.

Q. What do you think you should have in order to cover it?—A. I should think the one per cent would take care of it in possibly another year. In fact, in this year, it comes very close to taking care of it.

Q. It is a question of volume?—A. Yes.

By Mr. Caldwell:

Q. That was true in Manitoba, was it not?—A. I believe so.

Q. It is possible they got an average of less than one per cent for five years?—A. The overhead does not increase proportionately with the volume of business.

By Mr. McKay:

Q. The savings banks pay four per cent?—A. The savings banks pay four per cent.

By the Chairman:

Q. I do not know whether you will be able to answer this question. I wonder if the chartered banks advanced their deposit rate of interest, what would happen? That is a sideline, Mr. Farrow. Will you proceed?

By Hon. Mr. Tolmie:

Q. What is the long term?—A. They are all on twenty-year mortgages, with the privilege of repaying them at any interest date, either in full or in part.

By Mr. McKay:

Q. After three years? Are your payments on the amortized plan?—A. All of the payments are on the amortized plan.

Q. What does that interest amount to?—A. $87.18 per year.

Q. That would be in twenty equal payments?—A. Yes. With the privilege of paying off any additional part that they wished to, at any interest date. It means that the man is approximately paying in the twenty years, $1,740 as against $2,200, which he would pay in the twenty years on a straight 6 per cent mortgage.

By Mr. Sales:

Q. $1,743.60?—A. Yes, sir.

By Mr. Caldwell:

Q. As against what?—A. $2,200.

Q. Paying at the same rate of interest, he would pay more under the straight mortgage plan than he does by paying on the amortized plan?—A. Yes, because his principal is reduced each year and the interest he is paying is also reduced. You take on the amortized paying plan, when a man has paid, we will say, down to the nineteenth year, there is only about $5, I think, of interest. The rest is all principal.

Q. Just there, how are you figuring his payments under the straight mortgage plan?—A. On a 6 per cent basis he pays $60 a year. I say on a straight 6 per cent mortgage, where he would not be paying any of the principal off, he would be paying $1,200 in interest and he would still have his $1,000 to pay at the end of twenty years. If he reduced his principal each year, that would not apply.

By Mr. Sales:

Q. What do you find the cost of placing one of your loans?—A. First, the farmer is charged an inspection fee of $12. On top of that he has to pay the legal charges. Up to the present time, our legal charges have varied, because we found it necessary to adjust the plan from time to time, but up until two months ago our legal charges were very materially less than those usually charged by loan companies, because of the fact that we had made arrangements with one firm to do all our work for the province on a flat basis, and they felt they could afford to do it on that basis. They did not see fit to continue it, and we have found it necessary to put in our own legal department to do it. It has only been operating a couple of weeks now, and I could not tell you definitely what our fees will be. The fees will be on the cost basis, as cheap as it is possible to make them, consistent with proper care.

Q. You will pay your man a salary and charge a flat fee to the farmer?—A. Yes.

By Mr. McKay:

Q. Have you any idea what your legal charges have been up to the time—A. They were $15, the actual disbursements, on mortgages up to $5,000.

Q. From $5,000 to $12,000?—A. From $5,000 to $12,000, which is our maximum loan, they were 20 on actual disbursements.

By the Chairman:

Q. What do the disbursements come to?—A. The disbursements average around $8.50. That does not include the transfer tax where there is a purchase. Where there is a purchase, the transfer tax enters into it. It is more than that.

Q. That is not the loan?—A. No, it has nothing to do with the loan.

By Mr. Caldwell:

Q. Supposing a man gets a loan of $1,000, and he pays the interest every year, and pays $50, on the capital, which would wipe out his loan at the end

of twenty years, what would it cost him that way, as against paying under an amortized plan? That is only by way of comparison.—A. I have never figured that. I could not say.

By the Chairman:

Q. Is not the plan suggested by Mr. Caldwell more or less an amortization plan?—A. I should think it would be.

By Mr. Caldwell:

Q. Mortgages are usually drawn, payable every year with the interest. I know I have mortgaged land, and it was to be paid so much a year, and I did that.

By the Chairman:

Q. If you paid so much off every year, you are amortizing your loan?

By Mr. Caldwell:

Q. What I am trying to bring out is, whether there was any advantage in the real amortization of payments?—A. I do not know the scheme as well as I spoke of it.

By Mr. Hammell:

Q. That is an equal amount for twenty years?

By Mr. Caldwell:

Q. I understand the amortization plan. The payment is small the first year. It is equal payments for twenty years, but supposing a man got a loan of $1,000 and he paid $50 a year on the principal and he pays the interest every year, would there be any advantage in the amortization plan?—A. It would mean this, that at the time the man could less afford to pay his loan, the burden may come on him. That is where the chief advantage would be. It would be in fact, under the plan I spoke of. His payment would not be very heavy for the first year. The first four or five years is the time the borrower finds it difficult to meet payments, and if he had to pay under your plan, it would be much harder.

Q. That is the advantage under the amortization plan?—A. It is the only advantage I can see.

By Mr. McKay:

Q. What provision have you made, suppose a man was able to pay off the whole thing at the end of one, two, three, four or five years?

By the Chairman:

Q. Or at any interest payment?—A. He could pay it off at any interest payment. If he pays $500 he gets the full advantage in this way, that the principal is reduced and the balance reamortized for the number of years it is in force. So that he gets every possible advantage of the payments he makes.

By Mr. Caldwell:

Q. So that there is some advantage in the amortization plan?—A. Yes.

By Hon. Mr. Tolmie:

Q. Up to what proportion of the value of the property do you loan?—A. In the first place, we endeavour to have our values made upon a reasonably conservative basis. We can loan for the purposes I have quoted up to 65 per cent of the value, except for discharging a registered encumbrance. At the

[Mr. A. G. Farrow.]

present time a Bill is being put through, and when it is signed the proportion will be up to 50 per cent, or upon a 50 per cent basis. It has been 40 per cent.

Q. Does it make any difference as to the line of farming they follow, as between specialists and mixed farmers?—A. In the matter of valuation, there are certain types of specialized farming that are not as staple, or possibly more hazardous, and we have to be more conservative in our estimate of the value of the property. We have to base our valuation in all cases on the earning power of a farm. There are various things that enter into the making up of a valuation, such as location and things like that.

By the Chairman:

Q. I suppose you take into consideration the character of the borrower? —A. We consider the character of a borrower, most decidedly. If the moral hazard is not good we will not grant the man a loan.

Q. No matter how good the property is?—A. No, sir.

By Mr. Caldwell:

Q. Is there any special line of farming you consider a hazardous risk?— A. Yes. In actual practice for instance we consider poultry as hazardous.

Q. As a hazardous risk?—A. As a hazardous business.

Q. What else?—A. Some lines of fruit farming. In all these cases, truck farming, fruit farming and poultry raising, the degree to which the hazard enters into it is largely determined by the man in charge of the operations.

By Hon. Mr. Tolmie:

Q. Your loans are confined to Ontario, they do not extend to the Prairies? —A. No, sir.

By the Chairman:

Q. As a rule how does your estimate of the value coincide with the municipal valuation?—A. We do not consider, nor do we allow our inspectors to consider municipal valuations. To my mind they are very confusing.

Q. For instance, in Quebec executors and trustees can lend on first mortgage up to two-thirds or three-fifths of the municipal valuation.—A. That would be the assessor's valuation?

Q. Yes, the municipal valuation.—A. Our opinion is that the assessors' valuations throughout Ontario vary very considerably, and that there is no uniformity as between them, and that they would be only confusing both to the inspectors and to our Board.

By Mr. Caldwell:

Q. It is the average valuation for the community?—A. I would not say that. I do not think the valuations made by quite a number of the township or county men who do that work are treated seriously enough from a loaning standpoint, and that they could not be taken into consideration by us.

By the Chairman:

Q. We must not get off too far on a side track. You were describing to us the organization of your system. Will you please continue?—A. I think I can best do that by just following through the procedure followed when a man makes an application for a loan.

Q. You should I think first tell us what the machinery is and then show us how it functions.—A. Well, the Board in itself was appointed by the Government by Order in Council, and is comprised of myself, Mr. Roadhouse, the Deputy Minister of Agriculture, and Mr. Jennings the Assistant Auditor of the

province. We have in our organization inspectors throughout the province, who have been selected with the greatest possible care, men who are practical farmers, who have a very practical knowledge of agricultural conditions in their respective districts, men who have good judgment, men who are absolutely honourable and above reproach. Those men upon receipt of application which appear to be in order are expected to inspect the properties.

Q. How are they paid? -A. They are paid by the day, plus expenses. They are paid $6 a day and travelling expenses.

Q. Whether they reject the loan or accept the loan?—A. Yes. There is no incentive for them to do their work in any other than an absolutely proper manner. I should say first possibly that these inspections by the different men throughout the Province are constantly open to supervision by some one from our office. Our chief inspector is a man who has had a very great deal of experience, a man of most excellent judgment, and he and myself frequently check up the work of all of these inspectors throughout the Province.

Q. How many are there of them?—A. We have thirty inspectors at the present time. When these reports come back to the Board, they are further checked. I should say that there are two reports, one a detailed personal report on the applicant, referring to his experience, his education, his plan of farming, his methods, his labour supply, whether or not he is lacking in any experience, whether or not he has had any difficulty in getting loans in the past, and details as to his having made applications in the past, together with his general ability as a farmer. The other report is a very detailed report on the farm itself. Those reports are considered by the Board in conjunction with his application and any other information we have, and it is either granted or not granted. The matter is then placed in the hands of our solicitors for completion.

Q. Therefore the loan is a loan directly from the Farm Board to the borrower?—A. Yes.

Q. It does not go through any credit association of farmers who recommend it, or anything of that sort?—A. No, sir.

Q. You will correct me if I am wrong, but it looks to me as if it was a Government institution which would operate very much as a loan company would operate?—A. That is correct.

Q. Is that right?—A. That is correct.

By Mr. McKay:

Q. Have your local units, the municipal units, no say in the valuation of the property in the township; have you established local units?—A. No.

The CHAIRMAN: Not for long terms.

By Hon. Mr. Tolmie:

Q. How do you obtain information as to a man's past reputation, in reference to his willingness and ability to pay; do the banks co-operate with you in giving you that information?—A. All bank managers do. Of course it is the duty of the inspector to make whatever detailed inquiry is necessary, in a very careful and confidential way. That can be made in each case.

By Mr. McKay:

Q. Are the inspectors provincial, or are they localized?—A. They are localized.

Q. To certain territory?—A. To certain territory.

Q. You pick local men as far as you can?—A. In all cases.

By Hon. Mr. Tolmie:

Q. How long have you been in operation?—A. Two years next August.
Q. Have you suffered any losses yet?—A. Not that I know of.
Q. The borrowers are paying up well?—A. Yes.

By the Chairman:

Q. We asked you if you would bring the figures of the amounts that are in arrear. You have loaned at present how much altogether, $3,600,000?—A. $3,605,000. There are eight borrowers who have not paid anything.

Q. How many borrowers are there altogether?—A. The total number of loans granted to date is 936. Of course not in all these cases has the money been paid over. Some are in the hands of the solicitors yet.

Q. Would it be fair to say that 900 have actually got their money up to date from the Board?—A. No, I think not.

Q. Give us the amount that have actually had their money from the Board. —A. There has been $2,388,000 in money paid out.

Q. If you are going to tell us how many men are in arrear, you must tell us how many have had their money.—A. I was going to deal with the matter in percentages of dollars and cents. Approximately 96 per cent of all payments have been met in connection with long term loans.

Q. Did you say 96 per cent?—A. Yes.

Q. You had a long business experience before you took office under the Government?—A. Yes.

Q. Could you tell us how these payments compare with the usual payments made to an ordinary financial or commercial loan company?—A. I would say that during this present period of unsettled conditions, such as we have had for the time that we have been operating, that that would compare very favourably with any of the loan companies that are in operation.

Q. So that we can make a comparison between what Mr. Bowman told us the other day, who gave us different sections in which his Mutual Life Company had loaned money, he could tell us they had so many thousands out in this or that section and the amounts of interest in arrear amounted to so much per cent upon that amount; could you make a comparison? Of course it would not be an exact comparison, because we are talking about interest arrears, while if a payment fell into arrear it would be an arrear upon principal as well as interest, and during the first few years the payments are all payments of interest?—A. Yes; 6·2 per cent is our arrears.

Q. You think the comparison would not be unfair?—A. No; 6·2 including principal as well as interest.

Q. The principal will not be very substantial for the first two or three years, will it?—A. Approximately 40 per cent.

By Mr. Caldwell:

Q. There is one point I would like to mention. The interest payments on Mr. Bowman's loans would be higher than the interest payments on these, on the amortization plan?

The CHAIRMAN: Not quite. I think under the amortization plan you have to pay 8¾ per cent.

By the Chairman:

Q. Is that so?—A. Yes, 8¾ per cent.

By Mr. Hammell:

Q. It was calculated as interest alone, 4 per cent instead of 6·2. If you calculated them as interest arrears alone, they would amount to about 4 per cent?—A. Approximately, yes. Our total arrears are 6·2 per cent.

By the Chairman:

Q. Of the amount due?—A. Of the amount due.

Q. You have been in business for two years?—A. Yes.

By Mr. Sales:

Q. Mr. Bowman also told us that there was practically no demand in Ontario for loans, that they were very slow as far as Ontario was concerned, in the Mutual Life Company.—A. That has not been our experience. I might say this, that this demand has come to us through no effort on our part. We have spent only $5.10 on advertising. We have carried on no publicity whatever. It has been all we could do to take care of the demands that have been made upon us and build up our organization to do that at the same time.

Q. How many applications do you say you have had?—A. Slightly over 5,000 requests have been made for loans.

By the Chairman:

Q. Let us follow the question of arrears a little more, because after all that is the crux of the situation. We are going to be called upon to recommend or not to recommend systems of rural credits possibly, so this is more vital. I would be glad if you could give me as near as possible the number of loans that have been actually consummated, where the borrowers have actually got the money, as nearly as you can.—A. In our annual statement issued at the 31st of October, which is the only annual statement we have issued to date——

Q. It would be all right to take that, because since then there has been no loan on which an interest payment has fallen due; there has been no loan granted since the 31st of October upon which a payment would have fallen due?—A. That is correct. At that time we had granted loans to the extent of $2,024,505.

Q. How many borrowers does that amount represent?—A. 563 borrowers.

Q. Of that $2,024,505 how much is in arrear—6 per cent?—A. 6·2 per cent. I might say that included in that, part of those who are in arrears have paid a proportion of their payments. They have not been able to pay a"

Q. Could you give us these figures? Could you tell us in respect of these loans amounting to $2,024,505, how much in payments became due down to that last date, the 31st of October, 1922, how much fell due and how much was paid?—A. I am sorry I cannot tell you that offhand, but I would be glad to submit it to you.

Q. Perhaps at the noon adjournment you can ring up your head office and get that, because it is very important.—A. The amount in dollars and cents due on the 31st of October?

Q. Yes, how much in dollars and cents was due on the 31st of October, and how much of that amount has not been paid? You say you have 563 borrowers. I would like to know how many of those borrowers were in arrear on the 31st of October, 1922.—A. I will have to get that also.

Q. I think that is important. I think in fairness it should be divided among those who are in arrear.—A. Certainly.

By Mr. McKay:

Q. How have you dealt with those that are in arrear so far, or how do you purpose dealing with them?—A. In one case we had to make a foreclosure.

Q. In only one case?—A. Yes. That was not particularly because the man was in arrears, but because the man had left his farm. In other cases we have appealed to them to make their payments. When they do not recognize an appeal, we notify them that they have to pay it, and if there is any proper reason or any substantial reason which is temporary that does not enable them to pay at the present time, we will be glad to wait a reasonable time for it. But unless there is some substantial reason which is only temporary to justify an extension, they have to pay.

By the Chairman:

Q. May I ask this question? While you have been bringing pressure to bear upon debtors to pay, have you received pleas for indulgence from any others except the debtors themselves? -A. No, I think not; at least I do not recall any.

Q. You would recall any, if that had been so?—A. I think so.

Q. We are not unsympathetic, but it seems to me that the danger in a Government system would be that some fine day, if a Middlesex farmer was in arrear-- if Middlesex farmers ever get in arrear—the Member for Middlesex might step into your office some fine morning and say "You are trying to get that payment from John Jacobs. He is an awfully good U.F.O. man, an awfully good Liberal, or an awfully good Tory, he is a great friend of mine, do not be -- hard on him, he has borrowed your money, but your money is safe." The danger is in appeals of that sort. I would be glad to know whether appeals like that have been made.—A. We have had absolutely no political interference in any way.

By Mr. Sales:

Q. What were the exceptional circumstances under which that man left his farm—I presume they would be exceptional?—A. They apparently had been accumulating for a long time.

Q. Debt?—A. Yes, and unfortunate circumstances, several fires and one thing and another.

By the Chairman:

Q. That was unfortunate or not, depending upon whether the property was insured.—A. This was a case of unfortunate circumstances. Those fires occurred before we granted the loan. We satisfied ourselves in that connection.

By Mr. Sales:

Q. If there is a first mortgage, is it going to result in a loan?—A. In this case we have sold the farm to a neighbour, and we have got out of it every dollar that was owing. It was unfortunate from the standpoint of the man. He had lived on the farm for a number of years. We gave him every possible consideration. I think possibly more so than he might have got in the ordinary way.

By the Chairman:

Q. The danger under a system of this sort is not that you should be too hard but that you should be too easy.—A. I appreciate that.

By Mr. Sales:

Q. Was he a good farmer?—A. Fair. He should have been a better farmer than he was. He was of the second generation in his community, and the rest of the family were good farmers, better than he was. He was an average farmer.

By Mr. Sutherland:

Q. Did he have a good farm?—A. He had a fairly good farm, in a good location.

Q. What I mean is this, was the farm run down?—A. No, the farm was in fairly good shape.

By the Chairman:

Q. The reasons were possibly personal?—A. The reasons were purely personal.

By Mr. Sales:

Q. You did not give us the total amount of your loans up to that period.—A. To what period?

Q. October 31st?—A. $2,024,505.

Q. How much money had you received from the Government at that time for your loans and debentures?—A. We had at that date paid out in cash $1,276,000 I think.

Q. In cash?—A. Yes.

Q. On loans?—A. Yes.

Q. $2,024,505?—A. There is always quite a difference between the money actually paid out and the loans granted, because they are in the hands of the solicitors. We are receiving applications for loans on the basis practically of half a million dollars a month, and have been for the past four months. Between the time the loans are granted and the time the money is all paid over, quite a period may elapse, because we have only paid all the money over for building loans and drainage loans as the money has been actually invested, so that there is always a considerable spread there.

Q. Considerable of a balance on hand?—A. Yes. We had at that time first mortgages aggregating $4,693,000 on Ontario farms. For those loans that have been granted, the valuation I mean of the farms as turned in by our inspectors aggregated that much.

Q. The amount of the loans was $2,024,505, and you have paid out $1,276,000?—A. Yes.

Q. Now give us the amount received by you from the Government up to that time?—A. I could not give you the exact figure, but it would be approximately what had been paid out, probably $10,000 or $15,000 more than that. We never carry much of a deposit in the bank. We can secure money from the sale of our debentures within 24 hours, and that money is being paid out daily. We turn our debentures in as the money is required, and get cheques for $50,000 at a time, just as it is being paid out. We only have small deposits.

Q. Suppose a man is going to get a loan of $3,000 and is going to build a barn, a house, or something else, and he gets $1,000, what system have you for computing the other $2,000?—A. He only pays interest from the time we pay the money out. There are very few cases where there is a building loan which does not include also the discharging of a registered encumbrance. Everything comes along as you have cited. Out of the $3,000 there is probably a mortgage of $1,000 or $1,500, which is paid off at the time the mortgage is executed. He is charged interest on that from that date, but probably he does not secure the rest of the money for a month, sometimes for two or three months, and his first payment is adjusted so that he is only charged interest on the principal payments from the time the money has left our office.

By the Chairman:

Q. I am afraid I got a wrong impression about those arrears. When you say 6.2 per cent are in arrears, that does not mean 6.2 per cent on $2,000,000?—A. No, sir.

Q. It means only 6 per cent on the amount which should have been returned? —A. Yes.

Q. On what is owing?—A. Yes. I think possibly we can get ahead better if you continue to ask questions, because it is very difficult for me to tell where we left off.

Q. You have promised us information as to the exact amount of repayment which came due from loans made up to the 31st October, 1923. You also promised us the figures for what amount was in arrear at that date. You have also promised to tell us what the number of borrowers are, either partly or wholly in arrear, out of the 563 borrowers, who have actually received assistance? —A. I can give you that now. That is 15.

Q. Of those who are in arrear, how many are partially in arrear?—A. 7 partially in arrear and 8 totally in arrear.

Q. So, of 563 borrowers, all, except 8, have either in full or in part met their obligations to the Board?—A. That is correct.

Q. As a business man, do you consider that is satisfactory?—A. I do.

Q. I suppose then we should take this into consideration, that agriculture has been going through hard times in the last couple of years?—A. A very trying period.

Q. And you can hope for even a better result than that, I presume, in normal times?—A. Yes, sir.

Q. Now, we under-tand that your organization is as follows:—the Ontario Government formed an organization, which it called the Farm Loan Board? —A. The Agricultural Development Board.

Q. This is the Board of which you are the Chairman?—A. Yes.

Q. This Board receives directly from agriculturalists all over Ontario applications for loans. The largest loan granted is $12,000?—A. That is correct.

Q. The smallest loan that will be granted is how much?—A. There is no minimum.

Q. You would loan $50 to a man if he wanted it?—A. It would not be practical.

Q. Because the expense would make it heavy? Your loans run down as a matter of practice, to how much?—A. There would not be more than half a dozen below $1,000.

Q. When an application comes in, it comes in, as I understand it, directly to your office in Toronto?—A. That is correct.

Q. Then it is sent out to your local inspectors?—A. Provided it would appear from that application that conditions justify it in proceeding.

Q. The application on its face has to be satisfactory?—A. Yes.

Q. Does that application give any information of any sort except that the man wants the money?—A. Yes, it gives details regarding his farm and buildings, location, roads, location with respect to schools, churches, the nature of the soil, division of community of interest.

Q. Tillage, bush and all that sort of thing?—A. Yes.

Q. How does the applicant know in what way to give you these particulars? —A. It is direct answer to questions.

By Mr. Hammell:

Q. Could you file one of these forms?—A. I would be glad to, but I have not got one with me.

Q. How does the man get the form?—A. He probably writes into the association, or he can get them through the agricultural representatives in the different counties.

Q. If he wants a loan he writes to the Board, if he has not given particulars the Board would send him what is practically a questionnaire?—A. Out of

5,000 odd requests sent to us, in nine cases out of ten the first letter that comes from the prospective borrower states that he requires the loan for certain purposes. As a rule these first letters are complete enough in themselves to let us know whether or not there is any likelihood of us being able to take care of him. If there is, we write him in some detail, and we send a questionnaire, and he is asked to fill that out and return it to our office together with the inspection fees, and insurance papers and any other information that may be required, as indicated in his letter.

Q. Then that application goes forward to your local inspector?—A. No, the application never leaves our office after it comes in.

Q. The applications do not leave your office?—A. No, we write to our inspector and instruct him to inspect certain properties. We do not give him any information with regard to details, as given by the applicants, except that they require a loan for certain purposes. We give him the location and probably the nearest station, the man's name, and if it is a purchase we ask him to ascertain a certain line of information. If it includes a building loan, we ask him to take particular care to ascertain the requirements in that direction and so on, but we do not give him any idea as to what the man has valued the property at, or the amount of the loan he requires, or any detailed information in that regard, so that he has to use his own judgment and opinion entirely, as to what he finds in the district.

By Mr. Sales:

Q. The inspection fee of $12, is that paid by the farmer whether the loan is approved or not?—A. That is paid by the farmer in advance of the loan being made.

Q. Suppose he is rejected?—A. He does not get the $12 back.

By Hon. Mr. Tolmie:

Q. What has been the percentage of rejections?—A. At the present time the percentage of rejections is very small. At the start it was over fifty per cent. For the first six months we were deluged with a very very poor class of applications. Some of them that looked all right at the start, upon investigation and inquiry proved to be most unsatisfactory. That is gradually being eliminated, being reduced very materially, because we have tried to instill into the minds of the farmers in the different districts that these things have to be considered purely on their merits from a business standpoint.

By Mr. Sales:

Q. You spoke of fifty per cent of rejections. What does that mean to these people?—A. When I speak of fifty per cent, that does not necessarily involve a great number of men. The first six months we were in operation, of course, we got a great many applications, after we had been going for a month or so, because the farm press announced that such an organization was in operation, but it probably would not entail 150 or 200 applications altogether. You take and spread them all over the province, and even if the circumstances were such that they did not merit assistance, it would not, I do not think, be considered a very serious condition.

Q. It does not mean that these men would probably have to leave the land?—A. No, not necessarily. I think they were just looking for something they would like to get, if they could get it. They probably could get along without it in a great many cases.

By the Chairman:

Q. How are your inspectors appointed?—A. As a district requires an inspector, we start to make an inquiry, if we do not know—. I and my chief

inspector have a pretty intimate knowledge of rural conditions throughout Ontario. In a great many cases we know the right type of men to select, but where we do not, we make very careful inquiry as to the type of man that would be available who would meet with our requirements, and I can assure you the greatest care is exercised in the selection of these men.

Q. What business do these men generally follow?—A. In nine cases out of ten they are farmers.

Q. Now, the order has gone forward from the Board to your local inspector to make the inspection. He makes a careful inspection and returns the form which you have prepared, and reports to your department. What happens then?—A. They are thoroughly scrutinized—

Q. Mr. Sinclair suggested a question I should have asked you. Does the inspector, outside of collecting the information for you, give you his personal opinion as to the wisdom or unwisdom of making the loan?—A. Absolutely. He makes a definite recommendation.

Q. Then it comes back to your Board office in Toronto. What do you do then?—A. The two reports and the application are thoroughly scrutinized as to any irregularity or anything which might require further explanation, and red inked where there is any phase of the operation—valuation, or anything entering into the thing which would require notice. The Board considers it, and if everything is in order and the applicant appears to be the right type of man and it would appear that his loan was going to be in the interest of agriculture development, was required by him, the loan is granted.

Q. If you have any doubt, what do you do?—A. We table it until we are satisfied after making further inquiries.

Q. You have a chief inspector who makes further inquiries?—A. Yes.

By Mr. Sutherland:

Q. The security. I suppose if you were doubtful about any of the features which enter into the wisdom of making the loan, your chief inspector would make a further inspection?—A. Not necessarily. It would depend on the nature of the information required. If it were information that could be secured by our inspector, through having neglected it or not having thought it necessary, because of the lack of information from the other end, we would ask him to secure that information. If it were anything of an intricate nature that required it, someone from our office would go and look into it.

By Mr. McKay:

Q. The inspectors are not appointed by the Civil Service?—A. I suppose the Civil Service Commissioner has to issue his certificate in connection with that. The way the inspectors are appointed is on recommendation to the Minister of Agriculture. We appoint a man and he is appointed by order in council.

By the Chairman:

Q. A question suggested by Mr. Sinclair, is I think an important one. How do you obtain a fair degree of uniformity in the valuation which your inspectors would give? You have thirty of them?—A. Yes.

Q. As to the degree of uniformity which your thirty inspectors would give to the places which are spread over the whole province—do they confer together, or what means, if any, do you use to obtain that desirable end?—A. Of course we have personally taken these matters up, both our chief inspector and myself, either one or both of us, with all of them.

Q. Together or individually?—A. Individually, in their own districts, and our chief inspector has gone with them in practically all cases for the first few

days on the making of their inspections. I would have to answer your question by dividing Old Ontario from New Ontario. In addition to what I have just said, we clearly define the percentage of valuation which shall be allocated as between land and buildings. In no case are we willing to recognize more than approximately 35 per cent of the total value in buildings, and the instructions which the inspectors have in determining the value of any farm in any of these districts is that it shall be first reasonably conservative. That is, that it shall be on an actual selling basis under forced sale conditions, and that the productive capabilities of the farms shall always be taken into consideration in determining the value of the farms. That is the rule throughout Old Ontario. In New Ontario, before we granted a loan, we had two men, our chief inspector and another very experienced inspector make a very detailed inquiry through all of the north country, giving a detailed report on everything that entered into the consideration, which had a bearing upon the granting of loans for agricultural purposes in these districts, and we have limited the value in New Ontario on absolutely clear land, to $40 an acre, even though in many districts that land is selling at $100 an acre.

Q. You value it for loan purposes, at $40.—A. That is the maximum value we recognize in New Ontario.

Q. Then you loan 65 per cent of that?—A. Yes, and that is reduced in proportion, to absolutely first-class land and location and other things which go to make up the value of the land.

Q. Are the insurance policies over buildings transferred to your Board?—A. In all cases, and the insurance is compulsory, and it is all placed with one company, with one British company, who gives us blanket insurance protection for the whole province, and they will insure the buildings as near as possible to the actual replacement value. In New Ontario, we have a very great deal of difficulty in getting, in some cases, insurance at all, and in other cases, insurance that would be acceptable. A great number of companies will not place insurance for other than a reasonably small proportion of the replacement value of buildings, and we have indicated to all of our borrowers that in the event of fire loss, the insurance money which is received, is available in all cases for rebuilding purposes, and any fires which we have had have been treated on that basis.

Q. Insurance is generally on a three-year basis with us in the province of Quebec?—A. Yes.

Q. Your loans run for twenty years. Do you charge up the insurance to the borrowers?—A. Yes.

Q. And you place it yourselves, do you?—A. Of course, when a loan is granted, or insurance is in force, as it is in practically all cases, it is adjusted.

Q. It is carried on?—A. It is not carried on. As these policies come in they are transferred to the other companies, and the premium is adjusted on a pro-rata basis that does not necesitate any loss to the farmer, provided it is a tariff company. If it is a Mutual company, there is a slight cost, because of the fact that the premium is a little higher.

Q. You should be, it seems to me, insuring in such amount—you should be able to get pretty low rates from the insurance companies. Have you been able to do that?—A. We did have, but the insurance underwriters' association stepped in and made our company cancel the agreement with them and put it on a tariff basis.

Q. Do you mean to say that although the cost of placing insurance has been practically eliminated because you do not have to have any agent come to you to solicit this business, that you have to pay, that the Government of Ontario—A. The borrower pays it.

Q. But it is paid by the Government directly. It is charged to the borrower, true. I am right, am I not? It is paid by the Ontario Government?—A. No.

Q. It is paid by your Board?—A. It is paid by the borrower. The borrower either pays it direct, that is, in a good many cases the borrower sends us his cheque or sends his cheque to the insurance company, but in other cases he just notifies us to take it out of the amount of his loan, and we pay it for him to the insurance company.

Q. Is there any commission paid in respect to the placing of this insurance? —A. No.

Q. And you get no advantage of that?—A. No.

Q. The Board gets no advantage?—A. None whatever.

Q. Who gets the advantage of that?—A. I suppose the companies themselves.

Q. I suppose you will look into the quetsion of carrying your own in time, will you not?—A. My own personal insurance?

Q. No, not your own. You are going to have risks running up in a few years into millions of dollars, and they are going to be distributed over the whole Province of Ontario. You are going to be carrying a tremendous amount of widely distributed property. I suppose you will look into the question of whether you can carry your own insurance? -A. I do not think that would be advisable at all.

Q. If I were in your position, and the insurance companies were giving me no consideration, although they had saved fifteen per cent premium, which I think is the ordinary commission they pay, it seems to me I would look very carefully into the situation to see if I could not carry my own insurance.—A. I might say we have had extreme difficulty in getting insurance at all from the tariff companies. I wrote practically every insurance brokers office in the city of Toronto, asking for this insurance arrangement and was refused by every company. Mr. Evan Gray, the Inspector for Insurance in Ontario also wrote every insurance brokers office in Toronto, I understand. I saw his files, and without exception they refused to write this insurance because of the fact that they would not write insurance in Northern Ontario.

By Mr. McKay:

Q. Do you find that localized to Northern Ontario? I do not think the farmers in other parts of Ontario have any trouble in getting insurance. It is confined to Northern Ontario? —A. My opinion is that 80 per cent of the tariff companies have gone out of the farm insurance business in Old Ontario.

By Mr. Sutherland:

Q. Because of the fact that the Mutual covers practically the whole of the territory?—A. Yes.

Q. As a result of the system you have adopted, the borrower has to pay an increased rate of insurance over and above what he is paying under the Mutual? —A. Yes.

Q. Could you give the Committee any idea as to the difference between the rate charged by the Mutual companies and the old line companies you have been doing business with?—A. It varies considerably. In some cases it is less. In some cases it is more, but the point was this, that it was an absolute necessity, from our point of view, that we had to consolidate our insurance with some concerns who would be strong enough to carry it. Otherwise we would be faced with the necessity of establishing an insurance department, which would have been extremely costly and which would not have been open then to error. When you have insurance policies coming in from a hundred, we will say, different companies, varying considerably in their conditions and clauses and in a number of cases these conditions not conforming to the requirements which

were laid down for us in our legislation and not conforming in some cases to the actual cases of the individual farmer, something had to be done. Then in addition to that, it would have required under this system of dealing with the individual companies all over, constant care on our part to see that renewals were kept up to date, and some of the smaller companies are negligent in looking after that. The farmers quite frequently are negligent, and we had, before we introduced this system, some very glaring examples of that negligence, which was not consistent with good business, had we allowed it to continue.

By Mr. Elliott:

Q. Why did you not accept one of the good Mutual companies?—A. They absolutely refused to do it for us. I have taken it up with them. I have taken it up with one man, who is largely in control of the four largest Mutual companies in Ontario. I endeavoured to get this arrangement from them and they would not do it.

By Mr. Sutherland:

Q. Why not carry your own insurance, as the Chairman stated?—A. We could not do so until we were given the power to do so, and personally I do not think it would be good business for us to do it. I might say we have adopted the same principle largely that all large loan companies have adopted, of consolidating their business with one company, who will give them blanket protection. Then they get some of the commission themselves.

By the Chairman:

Q. I would hazard a guess that they do. What seems strange to me is that your organization, having this tremendous bulk of insurance to place, has to pay the full amount, when it seems to me there are other large insurers who get certain concessions. I know that the manufacturing and industrial establishments of the country enter into certain Mutual insurance associations—the headquarters of these companies are largely in the States, and they get their insurance cut to a very small proportion of what they have to pay the loan companies. You have looked into the question, but it strikes me it is strange that with this tremendous bulk of insurance you are not able to retain the advantage which you had before.—A. We did have that before in an absolute agreement signed by the General Manager of the Company, but it was never practised, and we were forced to rescind it by direction of the Canadian Fire Underwriters.

By Mr. Sutherland:

Q. What rates were you paying?—A. The regular tariff rates.

Q. It was a profitable business?—A. Yes.

Q. How was the business carried on formerly?—A. They made no objection.

Q. Now they have been forced by an association of underwriters to charge you what?—A. Regular tariff rates.

Q. Which in turn is transferred over to you by the borrowers?—A. That is right.

By Mr. Sutherland:

Q. Can you give us an instance of what those rates are?—A. For the greater part of Old Ontario, the rate is 1.25 on the majority of farm buildings, because most farm buildings in Ontario are rated as fourth-class risks. Where they have lightning rods, there is a reduction of 25 cents. If it is a brick dwelling, it is on an 85 cent rate.

Q. Would those rates be double what the ordinary mutual companies would be charging, or would they be treble?—A. I do not know of any mutual company whose rate is below approximately 60 cents, based upon a three-year period.

Q. So that it might be double what is charged by any of the mutual companies?—A. No, I don't think it would be double.

By the Chairman:

Q. These mutual companies, are they not in the hands of the farmers themselves largely?—A. Yes.

Q. One would think that they would try to co-operate with you?—A. Yes.

Q. Do they not do so?—A. Well, they would be glad to do so locally, but there is no combination of them which will give us an absolute blanket protection, which is a necessary thing.

By Mr. Sutherland:

Q. Would they not insure in the territory which they cover?—A. Yes, but that does not eliminate the risk we would be up against continuously of having policies lapse and conditions arising under some of those policies which would be highly objectionable.

By the Chairman:

Q. I am not an insurance man, but it seems to me that with the mass of insurance you have, you could go to several of these strong mutual insurance companies and tell them what you require, and get them to eliminate certain conditions in their policies which are not satisfactory to you.—A. I have done that, Mr. Chairman. Further than that, Mr. Gray, who is the Inspector of Insurance for Ontario, with whom I have taken this matter up at great length and have submitted to him everything I have done, has in writing unqualifiedly approved the course we have adopted.

By Mr. Sutherland:

Q. Those who have secured loans, were they aware that the rate of interest would be charged when the loans were granted to them?—A. They are aware at the present time, and have been for some time past. When thy made the applications they were aware of it, but not at the inception, for the simple reason that this condition was not recognized by us at that time.

By the Chairman:

Q. What is the difference in price between what you would have to pay now and what you had to pay before?—A. The difference in New Ontario?

Q. What would the bulk amount to?—A. I could not tell you that, because I have very little idea what amount of insurance we have passed upon.

Q. What I am trying to get at is this: Suppose there was $20,000 of a difference in what the insurance companies charged to you before and what they charge you now under the impulsion of their association—

Mr. SALES: Compulsion, Mr. Chairman.

By the Chairman:

Q. That is better. It might be possible, and it strikes me that it might be profitable for your Board to have a really first-class man employed at a good salary to look after this insurance and let the mutuals handle the insurance in different districts.—A. If we do that we will have to stay out of New Ontario, because the tariff companies will not grant insurance in New Ontario. They have instructed us to that effect. One of the insurance companies up there has

been forced out of business, and I believe it is being considered whether the other two shall not go out of business. The mutual companies who have been writing insurance in New Ontario are abandoning the field as well.

Q. Your business might be sufficient in New Ontario to keep the business in a healthy condition?—A. I could not say.

By Mr. Caldwell:

Q. The last disaster was enough to put them out of business?—A. Well, it is due to their experience over a number of years.

By Mr. Sales:

Q. It looks like a combine price fixing.

The CHAIRMAN: It is interesting to see how in nearly every department of life examined before this Committee we have been constantly running into combinations of our fellowmen who are apparently combined, not to reduce prices, but to increase them.

Mr. McKAY: Or to stabilize them, Mr. Chairman.

By Mr. Elliott:

Q. I would like to ask a question about this insurance. It strikes me that that is a very unfair thing to the farmer. In my case I have insured some of my buildings for over $13,000, and last year I paid the company in which I am insured $25.40, which was the per annum insurance premium in a mutual company. Can you give us any idea what it would cost under your system?—A. Did you say $13,000?

Q. Yes.—A. Are your buildings rodded?

Q. Yes.—A. Have you a stone house?

Q. Yes.—A. Well, I am not an insurance man, but roughly speaking I would say that your insurance, if it were placed through us in the position we are in would cost you—first let me ask what proportion of the $13,000 is on the house and the contents of the house?

Q. Well, I can hardly say offhand. We have two large frame barns, basement barns, and the house.—A. But what proportion of the $13,000 is in the insurance on the house and contents?

Q. About $3,000.—A. It would cost you roughly speaking about a hundred and twenty this way as against seventy-five the other way, but in addition to that you would give a premium note for another amount, and further than that your policy would no doubt state that in the event of a loss your loss would be confined to not more than two-thirds of the cash value of the buildings at the time of the loss.

Q. But if I have $2,000 on a barn and it is burned, I will get the full insurance?—A. We did not make this move without due consideration. I took 27 mutual companies and found a clause to this effect in each one of them, that in no case would the loss in the event of fire be paid on a basis of more than two-thirds of the cash value of the buildings at the time of the fire. Our legislation distinctly states that buildings shall be insured to their full insurable value. Our system is, as with the borrower, that in the event of a loss by fire the full amount of the insurance money received shall be available for rebuilding purposes, and I think that is proper as between ourselves and the borrower, that we should endeavour to have him protected to the point where he will be able to replace his buildings out of the insurance money in the event of loss.

By Mr. McKay:

Q. Suppose he does not want to rebuild?—A. Our security would be reduced proportionately, and we would have to take his insurance money to reduce his mortgage.

By the Chairman:

Q. There is a certain amount of ground for your insisting upon the insurance being merely sufficient to cover your loss?—A. If we were purely a loaning institution, I would say yes, but I consider that our duty to the farmer goes considerably beyond that.

Q. But if your conception of duty loads upon him an insurance burden which he thinks is higher than experience has taught him to be necessary, I am not sure whether you are helping him or not.—A. That may be true in his individual case, but in a great many cases it would not be true.

By Mr. Sutherland:

Q. He might be compelled to carry a much higher insurance, as he no doubt will be, than he would otherwise carry?—A. We have not worked a hardship in any particular case, that is, if you consider the difference there would be between that Company and a mutual company. It would be a hardship to that extent, but not otherwise. We are perfectly willing for him to carry any insurance on contents, or over and above a certain amount in mutual companies, as long as we have a specified amount in proportion to the value of his buildings and the amount of our loan in a tariff company.

Q. As a matter of fact, has insurance increased very much?—A. In some cases the insurance is double, in some cases it has not increased at all. For instance, if we grant a man a loan of only $5,000, and he is carrying $13,000 of insurance, and if it appears that $13,000 is a reasonable amount for him to carry in view of the condition of the buildings, we do not ask him to increase it. But if we have granted him $12,000 of a loan and he is only carrying $7,000 or $8,000 of insurance, and has not been carrying more than one-third or one-half of what would be necessary to rebuild his buildings, we advise and sometimes insist upon further insurance being carried.

By the Chairman:

Q. Suppose Mr. Elliott wanted to finish up a lot of steers, for instance, and wanted to get $6,000 on his farm buildings and house, which are insured for $13,000 at a total expense to him of $25 or $26 a year, if he could insure in a line company or lead you to insure for him in a line company up to $6,000, would there be any objection to him carrying the other $7,000 in the cheapest way he can get it or that he thinks wise?—A. None whatever.

Q. That could be worked out?—A. That is in actual practice now.

Mr. Sales: If it were not so, the advantage would be largely offset by the increased premiums.

By the Chairman:

Q. I gathered that it all had to be taken out of the cheaper company, and that it is only put into the dearer company, which you consider better, up to the amount of the loan?—A. In no case will we insist upon the insurance on the contents of his buildings being placed with us.

By Mr. Gardiner:

Q. Under the mutual plan of insurance in Ontario, is the premium assessed annually, making provision for fires and so forth? These companies vary considerably in their operations. For instance, some mutual companies base their premiums on the actual losses and expenses they have been put to over the previous year, others have a reasonably fixed premium, and have a premium note in addition. Where the losses incurred over the year are not covered by

their cash receipts I suppose they have to call upon the premium note?—A. That is why in some cases these mutual insurance premiums are higher than with the tariff companies.

Q. That would only apply to a small percentage?—A. Very few.

Q. Would it not be possible to formulate a mutual insurance system within your organization whereby you could rebate your premiums each year after the losses are known?—A. If our borrowers would approve of it.

Mr. ELLIOTT: What was the question?

By Mr. Gardiner:

Q. Would it not be possible for this Board to organize their own system for those who participate in the borrowing from the Board and rebate the losses each year after they are known, by way of premiums?—A. If our borrowers would individually give us premium notes and a definite contract to mutually protect the different borrowers in the event of fire, it might work out. But you have to bear in mind that we are operating to quite a large extent in an area that has a tremendous fire hazard, so tremendous that all tariff companies have refused to operate there, with the exception of this one company, and all mutual companies practically have gone out of business there, and those that have not gone out of business have refused to operate, and the only basis upon which we can deal with any tariff company is by taking all our business from the whole of the province, otherwise we cannot get a company to consider touching that part of Ontario.

By the Chairman:

Q. If you had only Old Ontario to deal with, you would find that you could get cheap insurance?—A. Yes. But a man knows definitely the amount of his liability.

By Mr. Gardiner:

Q. I can see how even New Ontario would have a percentage rate lower than Old Ontario.—A. Probably.

By Mr. Hammell:

Q. In some years they have been wiped out altogether?—A. Pretty nearly.

Mr. GARDINER: But they cannot go on forever in that way.

By Mr. Sutherland:

Q. With reference to the question answered by Mr. Farrow about the insurance on property owned by Mr. Elliott, would that 120 be per year?—A. No, that would be for three years, as against approximately seventy-five he would be paying now. There is just one thing I would like to say before passing on to the short term, Mr. Chairman, in regard to your first question. That was with respect to the need for agricultural credit in Ontario. The actual need of agricultural credit is not fully demonstrated even in the demands that have been made upon us. It is apparently a fact that in all parts of Ontario money for investment purposes in farming is harder to secure at the present time than has been the case for a great number of years. That is due to several reasons. The principal reason is I think that private capital in the different communities which heretofore has been available for mortgage loans in that district has been largely depleted; it has been taken up by Victory Bond issues and so forth. We have been advised by the local offices in practically every quarter of Ontario that whereas for 20 or 25 years they have always had sufficient capital available for loaning purposes in their districts, for the past year

[Mr. A. G. Farrow.]

or a year and a half they have not had any funds, and that there is great need for loans in those districts. Besides that, as you probably are aware, mortgage companies have not had as much money for new investments the last year or two as has been generally the case. Those two conditions combined, together with the fact that during the war period improvements on farms were largely allowed to stand aside pending a return to more normal conditions. When the war was over and the farmers got down to general operations again, all that accumulation of necessary improvements was staring the farmers in the face, together with the fact that funds were not available for them. That created a condition which enabled those who had funds to loan to get on good security increased rates. I am speaking of Old Ontario now. Had it not been for the funds which were available through our Board, I am inclined to think that possibly the interest rates would have been higher to-day than they have been, and I think further that a large proportion of the farmers who have been enabled to go ahead with their improvements, the farmers' sons who have stayed on the land, being able to borrow from us, the men in the cities who were raised on farms and desired to go back on farms again, being able to borrow—very many of these things would not have been cared for and developed as they have been. Again, in New Ontario where a large proportion of the country has tremendous agricultural possibilities, the people have been paying altogether too high a premium for their money, I think, because I think possibly a large proportion of the money which has been borrowed there by the farmer has been upon a basis of 9 per cent.

By the Chairman:

Q. Where is that?—A. In New Ontario. I would say that there is a great deal more money borrowed in New Ontario which bears 9 per cent interest and higher than there is that bears lower than 9 per cent.

By Mr. Sutherland:

Q. What is the rate paid in Old Ontario, on farm mortgages?—A. To whom?

Q. To those who have advanced money for loans?—A. That can be easily ascertained.

Q. Well, with reference to the mortgages already taken out on farm property, the loans which have been advanced on farm mortgages?—A. It depends upon when they were put on.

By the Chairman:

Q. Say within ten years?

Mr. SUTHERLAND: I know many mortgages let out this last year at 6 per cent, without any of the conditions we have heard referred to here.

WITNESS: Very few have come to our notice containing anything like that.

By Mr. Sutherland:

Q. It is easy to ascertain through the registry offices, which are under the control of the Government.—A. I would say that the loans in New Ontario in the last two years have carried above 7 per cent.

Q. You mean Old Ontario?—A. Yes, I mean Old Ontario. I would say that with the exception of our loans they have all been above 7 per cent.

Mr. HAMMELL: That is given in the report of the Inspector of Registry Offices.

By Mr. Sales:

Q. When you discharge a mortgage you find out what the rate is?—A. Yes.

Q. Well, what is it?—A. It varies considerably with the time the loan was placed. It was not uncommon for money to be secured at 5 per cent in New Ontario, up to four, five or six years ago, but there is a negligible quantity of money available to-day even at 6 per cent. I do not know of any solitary company or loaning institution in Ontario to-day that is loaning money at 6 per cent to farmers, and very few as low as 7 per cent.

Q. Do you find people making applications to you for loans to discharge existing mortgages at a lower rate?—A. Yes, and they require loans for other purposes as well.

By the Chairman:

Q. What are the ordinary loan companies lending at in Ontario at present, what is the rate?—A. The larger loan companies in Ontario to-day, and for some time past, have had very little funds available for loans on farms. The majority of the larger loan companies have confined their loans to city loans, and the ruling rate of interest has been, I think, all the way from 7 to 8 per cent on first class security throughout Old Ontario this year, and I would hazard a guess that there have been as many or more loans at from 7½ to 8 per cent than below those figures.

Q. In Old Ontario?—A. In Old Ontario.

Q. Do you remember what Mr. Bowman said the Mutual Life loaned at in Ontario?—A. No.

Mr. Sales: He said from 6½ to 7 per cent, and that there was not much demand in Ontario.

The Chairman: I think he said they had made one loan at 6½ per cent.

Witness: I know one concern in Toronto (and you know the concern well, Mr. Chairman) that is not a loaning institution, but which lends a great deal of money—

By the Chairman:

Q. Is it a firm of solicitors?—A. Yes.

Q. They handle a lot of trust money?—A. Yes. They have had considerable funds the last year or two, and I think you will find that they have loaned no money on farm property at less than 7½ per cent, and the most of it has been as high as 8 per cent. I have never heard any person state, and have never seen the slightest indication of it, other than that there has been anything else but a very keen demand for loans for agricultural purposes.

Q. There may be local conditions, an old thrifty part of a community, where the people trust their neighbours, there you will find that there may be quite a little bit of money loaned at a very reasonable rate of interest.—A. I have tried to find out from sources where statistics are compiled as to the volume of money on mortgage loans on farms in Ontario, but it has been impossible to secure it. I have done this in connection with our short term loans; a man on making an application files a very complete statement of his affairs, which necessarily sets out any mortgage he has and the name of the mortgagee. I have taken them in different districts scattered throughout the province, and I have found that approximately 80 per cent of the mortgage loans are held by private parties in the different districts.

By Mr. Elliott:

Q. What is the objection the financial interests have to lending money on farms at the present time?—A. I do not think there is any objection. I have

discussed this question with the managers of several loan companies, and they say that they can operate cheaper in the cities and get a higher rate of interest.

By Mr. Hammell:

Q. As well as make bigger loans?—A. Yes, they can make bigger loans. They do not want loans of $3.000 or $5,000, they want loans of $25,000 or $50,000, that they are more profitable.

By Mr. Sutherland:

Q. The difficulties you have mentioned in regard to buildings and so forth since the war, are they not due to the fact that material costs and labour costs are excessive even at the present time?—A. What I stated was this, that during the war period they neglected to make improvements, for reasons best known to themselves, and after the war period was over they had to go ahead with a large number of those improvements, because it was necessary that they should do so in order to carry on. They had to revert back to their normal methods of operation, and in doing that these improvements were necessary, and to meet those improvements in a large percentage of cases they had to borrow money.

Q. Do you loan money to farmers to enable them to under-drain the land and reclaim waste land?—A. Yes.

Q. A very important feature in connection with the reclaiming of these lands is the sales tax, which is now added to the cost. Would you care to express an opinion with regard to the effect that has, the tremendous increase in the cost of tile for drainage purposes during the past few years, which has practically doubled, and in addition to that there is the sales tax added for reclaiming lands that are not productive to-day. I think that is a matter that might well engage the attention of the Committee, and particularly in view of the loans that are made from time to time.

By the Chairman:

Q. Have you any expression of opinion to offer upon that?—A. Mr. Chairman, I would say first that there is no question in my mind but that money invested in tile drainage on good farm lands, where the tile drainage is properly installed, is a very worthy investment. However, the cost of the actual tile in the total cost of the installation of drainage is not a very serious part of it. But I would say that anything that can be done to reduce the cost of installing tile drainage for farmers in Ontario certainly should be done, because it is the cost which makes them hesitate to put it in. There are very few farmers in Ontario who could not profit by investing money in proper tile drainage.

By Mr. Sutherland:

Q. On what do you base your statement that the cost of the tile is not very important?—A. What I mean was that as I understand the tax, while there is an increase, that increase in proportion to the total cost of the installation of tile drainage is very small. I certainly think that anything of that nature that could be remedied should be remedied.

Q. As a matter of fact the cost of tile is in most cases more than half the cost of the whole drain to-day?—A. That is not the case out our way. I have figures on a 25-acre field on my own farm.

Q. But that would be small tile?—A. Mostly four-inch, but usually eight-inch. I would say that 75 per cent of the tile used in tile drainage in Ontario is 5-inch or smaller.

Q. The main drains in many instances run 16, 18 and as high as 20 inches? —A. A very small proportion.

Q. I know of two contracts that are developing at the present time.—A. Are you speaking of a township drain?

Q. A municipal drain, where the assessment is levied on the farms.—A. There the cost would be very serious. But in the drainage done by a farmer, the percentage of tile that is used that is over 5 inches is small, and the cost of the tile is not by any means the major proportion of the tile drainage.

Q. Owing to the excessive cost, there is only about one-half the quantity of tile being manufactured to-day for farm purposes that there was a few years ago?—A. I don't know.

Mr. SALES: Your idea is that the imposition of a sales tax is preventing some of that land being drained?

Mr. SUTHERLAND: It helps. The object is to reclaim land which is not productive.

Mr. SALES: The only thing is this: Is the principle of taxing by sales taxes when it affects the production of a country a wise thing?

WITNESS: May I ask a question which has arisen out of Mr. Sutherland's question about the tile drainage?

The CHAIRMAN: It is one o'clock, anad we are to have the pleasure of hearing you again this afternoon,. We will come back at four o'clock this afternoon. I have one or two questions which I would like to ask the Committee before we separate. In the meantime, the Committee will stand adjourned until four o'clock this afternoon.

The Committee adjourned until 4 p.m.

Afternoon Session

4 p.m.

The Special Committee appointed to enquire into Agricultural conditions throughout Canada resumed at 4 p.m., Mr. McMaster, the Chairman, presiding.

A. G. FARROW, recalled.

By the Chairman:

Q. There is just a question or two that I wanted to ask regarding the long term credits before we take up the short term credits. Can you tell me whether it has often happened that when your Board has made an advance to provide for prior mortgages, it has advanced more than sufficient to cover the old mortgage?—A. In practically all cases. I would say that our loan include a loan for other purposes than discharging mortgages.

Q. I have just been reading to the members of the Committee the plan adopted in the United States, which is that the land banks, which correspond more or less to your Board, keep tab on the subsequent sales of the properties on which they have loaned money, in order to ascertain whether their assessment or valuations of the lands were satisfactory or conservative. Do you do anything of that sort?—A. Yes, we do, but there has been such a small proportion of resales on farms where we have advanced loans that the figures that we would have would not amount to a great deal at the present time.

Q. I agree with you that they would not at the present time, but they would mean something in each individual case?—A. Yes, and I think in practically all cases we find a condition somewhat similar to what you have indicated there, that is, our valuations have been within the actual selling price.

Q. You intend to continue that system?—A. Yes.

By Mr. Elliott:

Q. Mr. Farrow, I do not know whether you would have a case like this, but in the event of lending a certain sum of money on a farm, and the man fails and you have to foreclose on the mortgage, that farm would then belong to your Board, it would be under your control and sold by you?—A. Yes.

Q. Supposing that the farm on resale brings $3,000 or $4,000, which is more than the claim you have against it, what becomes of that surplus?—A. It goes to the credit of the mortgager to satisfy his creditors, or to him personally.

Q. All you want to do is to satisfy your claim?—A. Absolutely.

The CHAIRMAN: Are there any further questions on the long term loans?

By Mr. Hammell:

Q. Mr. Gardiner is not present, and he intended to ask Mr. Farrow this question: Do you think the Ontario Government will always be able to take care of debentures that you have to sell? You sell those debentures to the Ontario Government at the present time, to the Treasury Board, do you not?—A. I do not see any reason why they should not. The savings offices are securing deposits faster than we are requiring the money up to the present, and so long as they continue to do that, they can continue to buy our debentures. Even if they cannot do that, under the present circumstances and under the present legislation they can purchase our debentures, but they would have to do it either at an increased interest charge to us or at a loss to themselves; but even in the event of their not desiring to do that, under the legislation, they could guarantee our debentures, and they could be sold to the public as is done in the United States.

By the Chairman:

Q. The United States does not guarantee the debentures of the land bank, so we are told?—A. That is not according to my impression; I think they do Mr. Chairman.

Q. You may be right, but Mr. King told us that they do not, that the Land Banks Debentures or Bonds were held in such high esteem by the investing public that the Government had not been required to purchase them. I have before me this report which was kindly sent us from the United States.—A. Are they not free of government taxes?

The CHAIRMAN: They may be, I do not know.

M. HAMMELL: Yes.

By the Chairman:

Q. They were able to obtain an over-subscription of their bonds at 4½ per cent?—A. Does the Treasury of the United tSates, or did they not purchase a large proportion of their debentures themselves?

Q. No, on the contrary they were able to sell enough to the public to retire bonds held by the Treasury to the extent of $70,000,000, besides a considerably smaller amount which by law they are obliged to re-purchase from the Treasury every year.

Mr. MILNE: At the start, did not the Federal Government take over stock?

The CHAIRMAN: The Federal Government, as I remember subscribed for a part of the stock of those Federal land banks, and then the banks out of their profits are buying those back gradually, so much a year. Last year not only were they able to buy back the proportion which was redeemable, so to speak, but $70,000,000 worth more. I hope that the members of the Committee will find an opportunity of reading this report, which was distributed this morning. It is really most interesting.

By Mr. Hammell:

Q. The reason I asked you the question I put a moment ago is that Mr. Gardiner is not in his seat, and he wanted your answer on record. I told him that up to date, the deposits in the Ontario Savings banks more than took care of the debentures?—A. I have the information that you asked for this morning, Mr. Chairman.

By the Chairman:

Q. Then give us that?—A. The interest due at the 31st October was $30,440.19.

Q. Is that just interest?—A. Just interest. I was going to explain that up to that time in the issuing of a loan we started the 20 year period as from a certain date, and we charged them unbroken interest at 6 per cent for the few months which the loan would be in force until it arrived at that date, so that our loans would be maturing in large volumes at certain set periods of the year, so that at the end of our first fiscal year—we had only been operating for a portion of the year—the amount of interest alone as due was as I have stated.

Q. Thirty thousand dollars?—A. Thirty thousand four hundred and forty dollars and nineteen cents.

Q. That was due?—A. That was due them.

Q. And outstanding, it had not been met?—A. The arrears were $1,914.31.

Q. You regard that as pretty satisfactory, do you?—A. Yes, considering the circumstances of last year. Of course that has been reduced since.

Q. By how much?—A. $211. The arrears to-day are $1,703.31.

Q. Out of something over $30,000?—A. That is 5·9 per cent of the interest due that is in arrears.

Q. That is to say, 5·9 per cent of the interest which became payable has not been paid?—A. That is right.

By Mr. Hammell:

Q. Have you the amount of the principal which became due?—A. There was no principal which became due at that time.

By the Chairman:

Q. There was no principal then in arrear?—A. No principal then in arrear.

Q. Shall we now go on to the other scheme? Mr. Farrow, you have as I understand it a scheme for private credits for a shorter period than the first?—A. Yes.

Q. Will you explain that to us? Tell us what a short term credit is. First of all explain what you term a short term credit.—A. A short term credit is, as provided in the Ontario Farm Loans Act, a system of co-operative financing among the individual farmers of a township, the municipal council, and the Provincial Government.

Q. Let me first ask this question. In what year was that Act passed?—A. 1921. That Act provides that an association can be formed in a township, having a minimum of thirty farmers who will become shareholders in an association. To be a shareholder, a farmer must purchase a share of stock in that association, which amounts to $100, and he is required to pay up 10 per cent of that amount, the balance remaining on call. The Municipal Council is then petitioned by the local members to purchase one-half as much stock as the aggregate amount purchased by the individual farmers.

Q. That is, the township?—A. The Township Council. The Ontario Government is then asked to subscribe for an amount equal to that of the Municipal

Council. That would mean that there must be at least $3,000 subscribed by the individual farmers, of which $300 is required to be paid up, $1,500 subscribed by the Municipal Council and $150 paid up.

Q. Of which $150 is paid up?—A. $150 is paid up, and a like portion by the Government. That would be minimum of $6,000 of subscribed capital, $600 of which is paid up. The association is controlled by a Board of seven directors. The President, the Vice-President and one director are elected by the thirty or more farmers. The Municipal Council then appoints two, and the Government appoints two. Those will all be local men from the Township, selected with the greatest of care, and properly distributed over the Township, with the exception of one man; that one man will be a man representing our office, one of the attaches of the Government, who is a supervisor, who attends the meetings and does any work that is necessary in the way of investigation.

By Mr. McKay:

Q. Who would be one of the seven?—A. He would be one of the seven.

A. A farmer?—A. He is from our office.

Q. Would he be a farmer?—A. As a matter of fact he is a man who was raised on a farm.

By the Chairman:

Q. Their idea would not be to appoint necessarily a dirt farmer?—A. No. This seventh man is a man who is thoroughly conversant with farming matters, a man raised on a farm, a man specially educated and trained for this kind of work.

By Mr. McKay:

Q. There would be six local men?—A. Six local men.

By Mr. Hammell:

Q. The seventh man might hold the same office in different associations?—A. He might hold the same office in 12 or 15 different associations. Those seven directors then appoint a permanent secretary. The secretary is the only man who is in any way remunerated for his services.

By the Chairman:

Q. Would you call him the secretary-treasurer?—A. He would be the secretary-treasurer of the Farm Loan Association. Each one of these shareholders in the Farm Loan Association is entitled to borrow for any legitimate purpose connected with agriculture from their association up to and not exceeding $2,000 each, for one year, with the privilege of having the loan renewed for another year if the purpose of the loan has not been effected.

Q. Do they borrow in most cases on their note?—A. Where that is not satisfactory, additional security is required.

Q. Not satisfactory to whom?—A. The directors. The directors of the Farm Loan Association pass upon all loans to their members.

Q. Does it have to go any farther than that?—A. Yes. They are then sent to our office and are checked there. I personally go over every one of them myself.

Q. Would you have the right to veto them?—A. Yes, and I do so occasionally.

Q. That is so no loan can be made under this short term credit scheme without first having the approval of the directors of the local Township Association?—A. Yes.

Q. And the approval of the central office in Toronto?—A. That is correct. These loans bear 6½ per cent interest payable by the borrower, and the money

is loaned as an aggregate to the association at six-sevenths of one per cent less than that. They have an earning power of six-sevenths of one per cent on the aggregate amount loaned.

Q. When you say that it is loaned to the association, does that entail any responsibility for repayment, any personal responsibility for repayment on the members of that association?—A. The personal responsibility is restricted to the stock subscription of $100 each.

Q. On which 10 per cent alone has been paid?—A. Which is invested by the association in bonds or debentures and held in trust in our office for the association, along with the signed stock subscriptions aggregating $6,000.

Q. So that you would have a hold upon all the members of the association up to the amount of their unpaid subscriptions on their stock?—A. Yes.

Q. Is that right?—A. Yes.

Q. Then when the loan is approved the money is advanced to the local association I suppose, paid over to the secretary-treasurer?—A. The money is always sent to the secretary-treasurer. The cheques are made payable to the association, they are endorsed over by the secretary-treasurer and handed as individual cheques to the borrowers.

Q. Is the same cheque handed over?—A. The same cheque.

Q. Or do they issue a new cheque?—A. No, the same cheque. That saves stamps, and all that sort of thing.

Q. That has been in operation how long; the legislation was passed in the month of May, 1921?—A. Yes.

Q. It was assented to on the 3rd day of May, 1921?—A. Yes.

Q. When did you commence operating, Mr. Farrow?—A. During August of 1921 our office first started to do any work. Of course it took some little time to get the organization in shape at all to do anything, so that it was quite late in the fall of 1921 before any loans were really made.

Q. Will you report to us now the working of the scheme, so far as it has gone, pointing out if you will the strong features and the weak features?

By Mr. McKay:

Q. Would it not be well to put into the record the purposes for which these loans are made?—A. The purposes of the loans, while they are specified, a good many of them are so general that I think it can properly be stated that a loan can be made for any legitimate agricultural requirement. When an association is formed and a man desires to borrow through that association, he applies to the secretary for an application blank. He makes application, specifying in detail what the loan is required for. He fills out a form, stating when the money is required, and the time in which he wishes to repay it, provided he wishes to repay it before the required period as of the 31st of December, when all loans mature. He also makes out a very complete and detailed statement of his affairs.

By the Chairman:

Q. Just let me interrupt you for one moment. I see in this little booklet Mr. Hammell has handed to me that there is at least one of the objects for which loans can be made which does not fall directly into the class of subjects which you mention. This money can be borrowed for the purpose of:

(*f*) Fire or life insurance where required in the opinion of the directors as collateral security for a loan made for any of the above-mentioned purposes.

The above-mentioned purposes are:

(*a*) Purchase of seed, feed, fertilizer and other supplies;

(*b*) Purchase of implements and machinery;

(*c*) Purchase of cattle, horses, sheep, pigs and poultry;
(*d*) Payment of cost of carrying on any farming, ranching, dairying or other agricultural operations;
(*e*) Payment of the cost of preparing land for cultivation.

It is as well to have this on the record, because the proceedings before this Committee are being sent broadcast throughout the country, and this is valuable information to have before us. I interrupted you, Mr. Farrow. Please proceed.—A. The statement of affairs that an applicant has to make out sets out in detail all the details of his machinery and live stock, giving a valuation on each separate article. It sets out all of his liabilities, in whatever form they may be; it gives a description of his lands and any encumbrance there might be against them, together with details as to the crop which was grown the previous year and that is to be planted this year. This statement is a certified statement by the applicant in each case.

Q. He certifies it under oath?—A. No, he has not been doing that, but we are thinking of adopting that at the present time; that is, making and putting in a sworn statement. The application and the state of affairs is returned to the secretary, and goes before the local board, and in the majority of cases the applicant is asked to come before the board as well. This board has great strength in so far as supplying credit to the needs of the district is concerned, because of the fact that the attitude of these men is entirely sympathetic towards the needs of the individual farmers in the district. They are, first, men who have been very carefully selected, men of good judgment, men who are honourable, and men who are not overly optimistic—men who are not the type of men that would not thoroughly scrutinize.

By Mr. Hammell:

Q. Canny men?—A. Canny men.

By the Chairman:

Q. How do you insure the election of canny men? The Government has nothing to do with the Board?—A. No, but the organization of these associations falls upon us entirely, from almost its inception. We generally have to attend two or three or more meetings in connection with the organization of these, and during that time it is our duty to locate the type of man who would be the type of man to properly handle an affair of this kind, and it is not a difficult matter to locate in every township men who are careful along lines of this kind, men who have good judgment, and yet, men who have sufficient interest in the welfare of the community to devote what little time will be necessary to their duties.

By Mr. McKay:

Q. Are all these men in that community mostly borrowers themselves?—A. No. We endeavour to have the men who are represented on the directorate men who would be borrowers themselves. I would say a small percentage of directors would be borrowers. I expect very few of them would be.

Q. Are they giving their services absolutely free, except for the secretary-treasurer?—A. Yes.

Q. I notice in one report, the Manitoba workings of this Act, that nearly every member of the association is a borrower. I notice that those holding official positions on the boards there have the largest borrowings. That is the Jackman report.—A. That is not so in Ontario. The proportion of loans as secured by the directors of all of our associations is very, very small. I would

not be prepared to say what it is, but it is very small. There are some towns where there is not a dollar borrowed by any member of the directorate.

Q. What is the length of these loans?—A. All loans mature on the 31st of December of the current year in which they are made, but they are subject to renewal.

Q. What is the maximum of the loan?—A. The maximum loan is $2,000.

Q. I see here in this little book, $1,000.—A. That was amended at the 1922 session.

By Mr. Elliott:

Q. Do you find any difficulty in procuring men to undertake the responsibility of these directors?—A. No, not a great deal.

Q. I would imagine that a man would object to being placed in a position as to say whether a neighbour should receive a loan or not.—A. That invariably, coupled with the fact that farmers seem to feel that they do not like their neighbours to know that they are borrowing, is the one objection that is raised towards the organization of a farm loan association, but it does not exist in the actual operation of an association. I have not yet found one criticism of the associations that are operating, where the borowers, or those who wish to borrow, have resented the placing of the matters before the directorate.

Q. Well, do you not find hesitancy on the part of the borrowers to place their financial position before this Board? I would imagine it would become more or less public property.—A. No, it does not. These directors, at their first meeting, are told the responsibility which rests upon them. They are asked to treat with confidence and respect all matters that come before them, and they give their word that they will do so, and the calibre of the men is such that that is accepted.

By Mr. McKay:

Q. Are farmers eligible for membership on the Board?—A. Yes, if they are operating farms.

By the Chairman:

Q. And the same promise is extracted from them. Now, just tell us how the farm loan association takes its inception. I see here under the law: "that farm loan associations may be formed for the purpose of loaning money under this Act in any part of Ontario described in the certificate of incorporation, when it is desired to form such an association, and application is made in such form as prescribed, describing the territory in which such association is to be formed," which is to be sent to the Agricultural Board at Toronto. Does the Board have to propose the formation to people in any given township, or do you find the people in any given township express a desire to form an association themselves?—A. These associations that have been formed have all been started in this way; some individual farmer would write into our office, and state his case, that he required to borrow money for such and such a purpose. He only wanted a short-term loan. We have written back and advised him that the only way that we can assist him on a short-term loan is through a farm loan association, and if there is no farm loan association organized in his township, we then advise him as to how to proceed to have one formed, and we enclose an application to be signed by five responsible farmers of the township, petitioning our office to have a farm loan association established. When that is received, we then endeavour to get farmers of the township together at a public meeting, where the whole thing is outlined to them and explained—its operation, and if a sufficient number of farmers can be secured at a public meeting of that kind, there is little difficulty in securing the required number

to form a farm loan association. We have found considerable difficulty in getting the farmers of the township sufficiently enthused with the idea to enable them to complete an association. We have not pressed it. We have not gone after the formation of associations except where we have been petitioned to do so. There are a number of things that enter into opposition to the formation of these associations in the different districts where they are suggested, and unfortunately, I think, farmers are unreasonably hard to get organized in matters of this kind as well as others, and it is awfully difficult to get farmers to come out to meetings for things of this nature, and we do not propose to go around and solicit applications to form an association. I do not think it is proper that we should. If the farmers do not take sufficient interest, when the thing is started, to form their association, then it would be quite improper on our part to put a man in there to sell stock, as it were, in that association.

By Mr. Elliott:

Q. How many of these associations have you in Ontario now?—A. Fifteen. Members of the municipal council, or the Government, do not have to be shareholders.

By Mr. McKay:

Q. You are not building up very rapidly?– A. No, and I think it is possibly wise that we are not, up to the present time.

By Mr. Hammell:

Q. What amount is loaned on short terms at the present time?—A. $266,055 has been loaned. $16,957.50 has been paid, that is, principal. $3,634.31 interest has been repaid. Of course, bear in mind that up to the 31st of October, very few of these loans had been running for more than a few months; very few of them had been running as much as six months, and it was not anticipated at the time they were granted that their purpose would be met by the 31st of December, and that they would be renewed.

By the Chairman:

Q. As a matter of fact, what is your view as to the necessity of this form of credit in comparison with the necessity of the long-term credit?—A. I believe that there is almost equal need for short-term credit to that of long-term credit, not in dollars and cents possibly, but in actual accommodation to the farmers.

By Mr. Hammell:

Q. Is that indicated by the number of applications?—A. No, that is not indicated by the number of applications we have received, but in our observation, and discussing the matter with men that we have the privilege of discussing it with, there is I think in practically all cases need for these credits; in other words, I am convinced that in practically every township in Ontario, old Ontario particularly, that the farmers would be very materially assisted if they had a farm loan association amongst them.

By Mr. Elliott:

Q. Would not the banks as they are at present constituted, with the accommodation which they have been in the habit of extending to farmers, meet this need very largely?—A. Do you say, should they?

Q. No, do they not?

By the Chairman:

Q. Do they, or could they?—A. Apparently they do not.

By Mr. Milne:

Q. What interest do they charge for these short loans?—A. The borrower pays 6½ per cent. Practically, one per cent of that goes to the association as earnings, to defray any little expense that there is in that association.

By Mr. Hammell:

Q. The secretary-treasurer's salary?—A. Yes, and postage, and the little incidentals that enter into the operation.

Q. Is that the same rate as long-term?—A. No. That is 6 per cent at the end of the calendar year, and if the purpose of the loan has not been met, it can be renewed for a further year. For instance, I might just state that if at the 31st of December the purpose of the loan had not been met, it is carried over.

By the Chairman:

Q. Mr. Farrow, do you know, in your experience, of any customs of business which would indicate to you that there was a real need for this short term rural credit; any customs whereby farmers getting accommodation have to go through third parties to get it? If you could tell us generally that such a situation has come under your observation, we would be glad.—A. There are many instances in which farmers can properly employ credit in their business when they are apparently unable to get it, or when in the getting of it, the system through which they secure it makes it very costly to them.

Q. Could you be more specific along that line?—A. I could.

Q. I do not want you to give names or anything like that, but if there is a custom.—A. For instance, a man buys steers. It is a well known fact that quite a proportion of the men who buy steers have got to employ some one to buy them for them because they have not got credit, and the man whom the farmer employs, provides the credit and charges him proper interest on that, but charges him a substantial commission on the cattle that he buys. For instance, it is not an uncommon thing this last year for that man to charge him one cent a pound on the cattle over and above the loan he has advanced to him for the purchase of the cattle.

Q. Does this broker borrow the money from the bank?—A. Individuals, or a semi-private banker, or something of that nature.

Q. Do those brokers who charge interest on the money they advance usually possess ample means themselves, or do they have to go to the bank to get the money?—A. I think they go to the bank. In the majority of cases they may have sufficient of their own capital to take care of a portion of it, or very largely, but in some cases they go to a bank.

Q. If a farmer could go directly to a bank, or directly to some other sources of credit, would he be able to buy his steers directly himself and save this one cent a pound commission?—A. Well, take in the case where he has a Farm Loan Association. He can go to this association and borrow enough money to buy a carload of steers for winter feed. The total cost of that is 6½ per cent interest, paid when the loan matured, not paid in advance on short terms, and if you calculate what the difference would be as between that and the system that he would have to employ, under what I have suggested, while he is buying perhaps 6 cent cattle and paying a cent a pound as a premium, and the interest on his loan besides, it amounts to a very considerable difference, and very often makes a difference between the substantial profit that he should make, which does not offer any encouragement to continue.

By the Chairman:

Q. Mr. Elliott, you are a stock man.

By Mr. Elliott:

Q. I was just going to ask, Mr. Farrow, if these men who do business in this way, I mean the cattle dealers and drovers, do they retain a hold on the cattle as long as they are in the possession of this man, as security?—A. The conditions vary. In some cases they do; in some cases they do not. The man who buys the cattle for the purpose of feeding is almost under an obligation to that dealer.

Q. He has practically got to sell his cattle back to that dealer?—A. Yes.

Q. That is not a very good system?—A. I have been told by men who operate the stock yards it is not, and I would not think it would be.

By the Chairman:

Q. It is an instance of the old adage, that the borrower is the servant of the lender?—A. Yes.

By Mr. McKay:

Q. Supposing a man buying cattle could get an advance from the association, what security would he give?—A. That would depend entirely upon his tangible effects.

Q. Supposing for example a bad case; supposing a man is a tenant farmer, and he wanted to buy some thirty or forty steers, to keep over through the winter?—A. The first requisite would be of course that he was of good character and that he understood his business. Assuming that he is that, and he had no chattels that he owned on the farm, enough to entitle him to some credit—we will take a case, say, of where he had chattels to the extent of probably $2,000, on a reasonably conservative basis, because that would be reasonably conservative for a man operating a hundred-acre farm, and a tenant farmer in the majority of cases would own his cattle—

Q. Suppose he had no cattle of his own?—A. He would have no chattels.

Q. Suppose he had no chattels?—A. I think it is hard to conceive of a case of that kind, because he must have horses and machinery or something to operate his farm, or some live stock.

Q. Suppose he owns the outfit?—A. If he owned approximately $2,000 worth of chattels he should be entitled to possibly $700 or $800 of credit on the security of those chattels. If he is an exceptionally good man he is probably entitled to be advanced $1,000 or $1,200, providing that the association secures a lien on both the cattle that he has purchased with the loan he made, and the chattels he has on that farm. A man who requires credit under the circumstances such as you have indicated, to my mind, should be anxious to provide everything that he has got or can provide in the matter of security to the lender, as long as he knows that the lender is going to act fairly with him; he ought not to hesitate to put up any security he may have, if he is going to get accommodation on a cheap basis, so that this man can borrow for a period of time that would take care of his requirements, the money that he would require in order to enable him to feed the steers he had the feed for. Of course many things would enter into the case, such as you have indicated, but if he had the proper kind of feed to take care of the feeding of these steers.

Q. What is the initial cost of that?—A. There is no initial cost to anybody. It is provided under the Statute that the lien can be filed with the County Court Clerk.

Q. I see by that the lien is discharged without any cost?—A. Yes.

By Mr Elliott:

Q. Supposing I wanted an advance of $2,000 to buy cattle, we will say, and that I had chattels to the value of $2,000 and I got that loan, then my

estate is worth my original value of the cattle, $2,000, and the value of the cattle, which I bought. Do you not think you would be safe in loaning a man in that position, who has cattle to the value of $2,000, an equal amount to buy cattle?—A. No.

Q. Why?—A. Because of unforeseen circumstances which might arise, which would depreciate the value of the cattle which you had, or in any case I do not think that there are very many men who are entiled to credit on the basis of 100 per cent of their worldy goods.

Q. I can understand that in real estate, but as far as a transaction of this nature is concerned, where a man buys cattle for feeding purposes will assume he has the feed and everything necessary to feed the cattle, that the safety margin you would require would be the possible loss that might result in the transaction through the buying and selling of this cattle, which surely in no case could reach $2,000.—A. Supposing for argument's sake this man got some disease amongst his steers and half of them died. The lender has to be protected, and to my mind, the man who is borrowing, even under the circumstances you have suggested, should be glad to put up everything that is reasonably asked of him in the matter of security.

By Mr. McKay:

Q. Life insurance policies?—A. It would be a very extreme case.

Q. It is provided for here?—A. Yes, but it would be a very extreme case where the assignment of an insurance policy would be asked.

By Mr. Munro:

Q. I was going to suggest he could not borrow very much on an insurance policy?—A. Yes, he could, but there are not many farmers who have sufficiently paid up on their insurance policy for them to borrow any great amount that would be of much use to them.

By the Chairman:

Q. A comparatively new policy would have very little borrowing power attached to it?—A. Yes.

By Mr. Elliott:

Q. But it might be a very valuable collateral security with the loan?—A. Yes.

Q. In your transactions with this scheme of short term credits, are there many farmers applying for loans just for the purpose of feeding cattle? About what percentage would there be of those who apply?—A. I would not pretend to give you that information without looking into it. My observation would be that for all classes of cattle, both dairy cows and feeding steers, probably 35 per cent or 40 per cent of the aggregate loans which have been put through would be for that purpose.

By Mr. Hammell:

Q. In the purchase of machinery. Suppose a man wanted to buy a farm, do you take a lien on the new binder. Do you have a lien on some of the other chattels?—A. We only exercise the lien where there is any question about the security that is offered. The average Ontario farmer's note is perfectly good for any amount he would borrow from those associations, but where there was any question as to the security, then as a matter of form security is taken either in the form of a lien or something else.

By Mr. McKay:

Q. What justification do you think there is, if any, when a man in a case like this, can register and discharge a lien for nothing, and an ordinary man cannot in another transaction.—A. That possibly might be answered in the justification for the whole legislation.

Q. No. The whole legislation is self-supporting.—A. Yes, but the whole legislation was purely for the purpose of assisting agriculture development. That is the justification for that.

By the Chairman:

Q. As Dr. McKay pointed out, the idea had been to make these schemes self-supporting.

Mr. McKay: But not to make the farmer a pauper. Once you do that with any man you destroy him, and they are asking for no special privilege.

Witness: As far as the cost of the lien or the discharging of it goes, all that there is in it is simply a matter of record in the clerk's office, and I do not think it is a very serious matter.

By the Chairman:

Q. If the borrower under this scheme, instead of coming to his Township Loan Association, or Farm Loan Association, had to go to a bank with his note, he would require, as a rule, one or two endorsements.—A. I presume he would, in a good many cases.

Q. I presume that is the usual habit of the bank, to insist upon an endorser. There is no endorser required under this scheme?—A. There is, in some cases. For instance, say a young man has been farming only a short time. He is struggling pretty well under quite a load, and a loan of $700 or $800 to assist him in buying live stock or something else, is a very great help to him, and he has really not got enough credit of his own to justify him in getting that. He might be asked to have his father or somebody else endorse his note, by the Association.

Q. Has that occurred?—A. Oh yes.

Q. Do you find these associations are really trying to protect the public interest in recommending their loans?—A. Oh, obsolutely.

Q. They are? A. Absolutely. If they did not, I would think they would be very short-lived.

Q. But they might get a whole lot before they died?—A. But the associations would be short-lived. These loans are thoroughly scrutinized by someone from our office at the time they are being considered by the directors, and at least one director is thoroughly familiar with the circumstances surounding the case of the applicant, because he is a neighbour or lives close to him, and in the majority of cases has lived close to him all his life, and he knows the kind of horses he has, and he knows his machinery, and when he sees his statement of affairs he can tell pretty accurately as to whether or not it is correct. The whole security to my mind, in the functioning of these associations rests very largely in the calibre of the men who sit on this directorate.

By Mr. McKay:

Q. Altogether, is it not?—A. Very largely.

Q. 99 per cent?—A. Yes, very largely.

By Mr. Caldwell:

Q. Then, you have a method of finding out whether there are any bills of sale on his personal property?—A. Yes.

By Mr. McKay:

Q. We have viewed this from a provincial standpoint. We have nine provinces in the Dominion of Canada. There is a federal idea afloat, that this government here should undertake the work you are engaged upon in the Province of Ontario. Do you think now, after giving this question a couple of years' consideration, being in close contact with all its operations, that the provinces could operate it successfully alone, each province?—A. I would say Ontario could.

Q. What Ontario can do, Quebec can do?—A. Yes.

By the Chairman:

Q. But the newer provinces, what do you think about that?

By Mr. McKay:

Q. I am putting it in a Dominion-wide way, to get your pronouncement in regard to the nine units operating as nine units independently, as far as these long and short credits are concerned, each province standing upon its own feet? —A. That is something I have not given a great deal of thought to; I did not know just to what it was being considered here, but I would say that the same thing applies to that that applies to the functioning of these associations, or at least applies to our inspection department in our long term loans, that the more you can localize it the safer you are.

Q. That is a strong argument. Then you say,—and I have maintained it myself—that the local unit is the heart centre, the nerve centre of the whole system?—A. Yes sir.

Q. You get honesty there, and activity?—A. And sympathetic co-operation.

By the Chairman:

Q. And not too much of it?—A. No, not abused. At the same time, I think it is absolutely essential for the welfare of the district that it should be sympathetic.

By Mr. McKay:

Q. If the units fall down, the whole system must fall down?—A. Yes.

By the Chairman:

Q. It comes down finally to the personal factor, does it not? This scheme might be of great benefit if it were well and carefully run, and it might be a great disaster if it got into the hands of careless, incompetent, or even dishonest people.?—A. Unquestionably.

By Mr. McKay:

Q. That was the reason I emphasized that particular point a while ago. Take the smallest unit, say, of thirty. The objection might be raised, if there were 30 men in that unit, and all borrowers, that the position might be unhealthy, but if you had farmers in that who were wealthy and were not borrowers, neither long or short term borrowers, and for sympathetic considerations and a good neighbourly feeling desired to assist their neighbours, it would be the sort of spirit you would want in this particular system.—A. We have endeavoured to develop these boards of directors as agricultural advisory boards as well as financial institutions. You will find in every township a percentage of more or less incompetent farmers, men who have possibly not been farming very long, or have been employing methods which have not been as good as they might have been, and if they just had a little advice and counsel occasionally, or some place

to go to where they could have these matters properly discussed by men who are anxious to help them solve their problems, a great deal could be accomplished, and we have endeavoured to have these associations, the directorate of these associations developed along that line, and in many cases they have served very admirably in that direction.

By the Chairman:

Q. Following along the lines suggested by Mr. McKay, the Province of Ontario, an old province and a rich province, has found it possible to raise sufficient money for these rural credit schemes by the opening of what are practically savings banks; they are called branches, and in these branches are deposited, to a considerable extent, the savings of the people. Now, that supplies you, as I understand it, with ample funds?—A. Indirectly.

Q. Indirectly, yes; it provides the money with which the Ontario Government can buy the bonds and debentures which your Board issues for the purpose of getting money to lend to the borrowers who need it?—A. Yes.

Q. Now, what would you consider would be the extent to which the newer provinces, like the prairie provinces, could avail themselves of the same source of supply? Have you considered that at all?—A. Well, we know what Manitoba has done in the matter of securing deposits in proportion to its loans.

Q. What has it done, has it done pretty well?—A. They have, in two small offices, in the city of Winnipeg, secured deposits of approximately $5,000,000.

Q. They have, I suppose, 40 per cent of their population centred in this one city of Winnipeg. Is that not about right, Mr. Milne?

Mr. MILNE: I think it is approximately right.

By the Chairman:

Q. I am not far off, anyway. That does not obtain in Saskatchewan. I would agree with your view that the savings in the whole of Manitoba, including this large City of Winnipeg, would possibly supply sufficient money for any scheme in Manitoba, but I was wondering if the same thing would obtain in Saskatchewan and Alberta?—A. I would question whether it would or not, for some little time.

By Mr. Caldwell:

Q. I have read the Manitoba report, and if my memory serves me aright, they have not had funds enough to take care of all the loans.—A. They have not the amount of deposits there equal to the amount of the loans advanced under their two systems. If I remember rightly, they have in the neighbourhood of $10,000,000 loaned there under the two systems.

Q. With deposits of $5,000,000?—A. Yes. Of course, the banks have not been functioning as long as the loan system.

Q. You started your banks and your loaning system about the same time? —A. Yes.

The CHAIRMAN: Gentlemen, have we any further questions to ask Mr Farrow, whose evidence, I am sure, has been of very great interest to us. Mr. Sutherland, have you any questions which suggest themselves to you?

Mr. SUTHERLAND: No, I think not; I only came in a few minutes ago.

By Mr. Gardiner:

Q. Have you found it possible to get all the money necessary for your applications?—A. Up to the present time we have had no difficulty whatever.

Q. Do you anticipate that you will be able to get sufficient money, as the system begins to grow larger?—A. I would think so, yes, providing that the savings offices are continued in the same proportion that they are at the present

time. Of course a great deal will depend upon the fluctuations in interest rates generally as to the demands that will be made upon it, in long term loans for instance. If money should become a great deal cheaper, and we were unable to reduce our interest rates, there would be a falling off.

By Mr. Elliott:

Q. How many savings offices have you in Toronto?—A. I do not know. They do not come under our department.

By the Chairman:

Q. Are the salaries of your personnel as well as your own salary paid by the Provincial Government, or are they a charge upon the Agricultural Loan Board?—A. They are paid by the Provincial Government, at least my salary is.

By Mr. McKay:

Q. Do you mean direct by the Government?—A. Yes.

Q. All?—A. All expenses of operation, expenses of the Board. You see we turn in or we have to pay to the Treasury first 5 per cent interest upon our bonds and debentures. In addition to that we have to turn in to the Treasury monthly our revenue. Our revenue is derived in two ways, interest on our loans and our inspection fees as well as legal fees.

Q. What would be the direct contribution by the Ontario Government to all the officials employed?—A. You mean the total expenses of the operation of the Board?

Q. No, I do not mean that, I mean apart from the workings of the Act altogether. Does the Government contribute anything directly to the scheme apart from the working of it, or is the scheme self-sustaining, paying all salaries?—A. It is not, up to the present time. We will apparently come very close to it this year, if we do not fully meet it.

The CHAIRMAN: Are there any more questions? I am sure, Mr. Farrow, we are very much obliged to you for coming here. We are sorry you were kept waiting yesterday.

Witness retired.

The CHAIRMAN: Before the Committee adjourns, I may say that Mr. Pedlow has handed to me three notices which he received from Tooke Brothers, Williams, Green & Rome, and Cluett, Peabody & Company, Limited in regard to a change in the prices of collars. Apparently they all came in on the same day. He did not have them with him the other day when he gave his evidence, and he has suggested that they be put in. These notices are the regular printed advice to the trade. I would like you to consider further whether it would not be wise to print in our proceedings the report which we received, being the Sixth Annual Report of the Federal Farm Loan Board. It sets out very clearly the operations of the sixth year of the Federal Farm Loan Board, and I have found it to be of great interest. It was issued at Washington the 6th of February, 1923. It seems to me that those who are reading our proceedings will be glad to read this report also.

Mr. MCKAY: I was going to suggest that we get Mr. King to start right at the top of their loan system and explain clearly the National Banks, the State Banks, and how they work together in their operations. I think some of us have only a hazy idea of it at the present time, and we would like to have a clearer idea of the whole thing.

The CHAIRMAN: He might like to amplify what he has already said.

It has been moved by Mr. McKay, seconded by Mr. Gardiner, that the Secretary be instructed to convey the thanks of this Committee to Mr. M. M. Mahoney, of the Canadian Offices attached to the British Embassy at Washington for the assistance he has given to us in obtaining reports and other information from the Washington authorities, to which authorities he is also asked to convey the thanks of this Committee for their promptness and courtesy in furnishing us with so much valuable information concerning the subjects in the investigation of which this Committee is engaged.

Motion agreed to.

The CHAIRMAN: This Committee will stand adjourned until Monday morning next at eleven o'clock.

(The Committee adjourned until Monday, May 7, 1923, at 11 a.m.)

HOUSE OF COMMONS,
COMMITTEE ROOM No. 268,
MONDAY, May 7, 1923.

The Special Committee appointed to enquire into Agricultural conditions throughout Canada met at 11 a.m., Hon. Mr. Sinclair in the Chair.

The ACTING CHAIRMAN: We will now come to order. I have a letter here dated Montreal, May 5th, 1923, addressed to the Secretary of the Committee, S. R. Gordon, Esq., reading as follows:

> "My dear Mr. Gordon,—The Local Member for the County of Brome in the Provincial Legislature has died and his funeral is on Monday. I have to attend.
>
> Will you please see the Honourable Mr. Sinclair and ask him if he would be good enough to act as Chairman on Monday. I expect to be present on Tuesday morning.
>
> Yours very truly,
> A. R. McMASTER."

I have also before me the report of the fifth annual meeting of the Canadian Co-operative Wool Growers, Limited, held at Toronto on March 23rd, 1923, which gives the names of the Directors and officers, the address of the President, the names of the delegates, the balance sheet, profit and loss account, and the report of the Manager. It is also accompanied by samples of cloth which can be held by the Secretary of the Committee. We have also a letter from Mr. T. K. Doherty, Institute Commissioner of the Department of Agriculture of Canada, dated May 4th, 1923, addressed to the Secretary, S. R. Gordon, and reading as follows:

> "Dear Sir,—Your letter of the 1st inst. asking for the statistics as to the world's visible supply of sugar, received.
>
> I am enclosing two tables showing the production of raw cane and beet sugar so far as the figures are available; a statement on the World's production of sugar beets compared with pre-war production, and a state-

ment on the world's production of sugar, issued by the United States Department of Agriculture.

If you desire any further information on this subject, I shall be very glad to furnish it if it is available.

Yours faithfully,

T. K. DOHERTY,

Institute Commissioner."

Exhibits 123, 124 and 125 were filed and ordered to be printed as appendix.

We have Mr. Lachlan McNeill, of Winnipeg, who was asked to come and give evidence concerning rural credits, and especially in regard to the operation of the Farm Loan Board of Manitoba. I would ask Mr. McNeill to come forward.

Mr. LACHLAN MCNEILL called and sworn.

By the Acting Chairman:

Q. Mr. McNeill, will you please state your name in full and your address?—A. Lachlan McNeill, Winnipeg, Manitoba.

Q. What is your occupation?—A. Commissioner, Manitoba Farm Loans Association.

Q. Do you wish to make a statement, Mr. McNeill, in regard to the policy of the Farmers Loan Association of Manitoba, or would you rather be questioned by the Committee?—A. Just whatever the Committee wishes. If they ask questions, I will try and answer them as far as possible.

Q. I see by the copy of the summons I have before me that you were asked to bring and produce all information concerning the organization and operation of your farm loan system, and all figures necessary for a full investigation into the working of your system, etc. If you wish to go ahead, we will allow you to make your statement.—A. The Manitoba Farms Loan Act was passed on the 9th of March, 1917. The object of the Act was to foster and encourage agricultural development by providing for loans upon farm mortgages at reduced rates of interest. The Act was to be administered by a Board of which I was chairman, and the Board consisted of two men appointed by the Government, one by the Union of Municipalities, and one by the United Grain Growers or the Grain Growers of Manitoba. The Government appointed Mr. George Anderson and Mr. Fred C. Hamilton. The Union of Municipalities appointed Mr. D. Macdonald, of Dauphin, and the Grain Growers appointed J. S. Woods, of Oakville. The same board is still in existence as was appointed on that date. The Board have the right under the Act to loan money for specific purposes. "No loan shall be made under the provisions of this Act except for the purposes of acquiring land for agricultural purposes, and the satisfying of the encumbrances on land used for such purposes; the clearing and draining of land; the erection of farm buildings, the purchase of live stock and implements, discharging liabilities incurred for the improvement and development of land used for agricultural purposes, and any purpose calculated to increase land productiveness."

We are limited also to a fifty per cent valuation, including land and buildings. We are not allowed to lend more than fifty per cent, nor were we allowed to lend on land that is under lease; the borrower had to be the actual farmer, operating the land with his own outfit.

By the Acting Chairman:

Q. He had to be the actual owner?—A. The Act gave us the right to loan to a man who was not on his own land, but who operated with hired help. If there was a lease, we could not make a loan to him. The object was to assist a man operating his own farm. There was also a limit put upon the amount we could loan to any one man of $10,000. The rate of interest at that time, when the Act was passed, was set at 6 per cent, but after we were in operation three years we decided to raise the limit to 7 per cent, on account of the market value of money. We are at the present time operating on a 7 per cent basis.

Q. I did not quite catch that.—A. We were not allowed to charge any more than 6 per cent, but after about three years we found that money was getting dearer, and we decided to raise the rate to 7 per cent.

By Mr. Caldwell:

Q. Because your money was costing you more?—A. Yes.

Q. What was money costing you when you started?—A. 5 per cent. We were supposed to operate on a one per cent margin.

Q. Could you do that?—A. Yes.

Q. Did you ever operate on that margin?—A. Yes. We have $136,000 and odd on hand after five years' operation.

Q. Out of the one per cent?—A. Out of the one per cent, after paying all the expenses of operation.

By the Acting Chairman:

Q. What was your expense of operation, can you give us the total?—A. I could not give you the total expense of operation.

By Mr. McKay:

Q. The money was raised in cost to you from five to six per cent?—A. Yes.

Q. You pay six per cent for your money?—A. Yes. We are able to borrow at just a little better than six per cent now, and it is a question whether we would not be justified in lowering the rate in the near future.

By Mr. Caldwell:

Q. You were able to operate on a one per cent advance?—A. Yes, we operated on a one per cent advance.

Q. And saved some money?—A. And saved some money. Up to the present time we have paid out loans totalling $8,533,750.

Q. Before we leave that other point, I think it is rather interesting, because the statement has been made by bankers that one bank was paying 4 per cent on savings deposits.—A. Yes.

Q. They said they could not loan at less than nine per cent.—A. Yes.

Q. While those who paid three per cent could not loan at less than eight per cent.—A. That is on short term credits.

Q. There would be a great difference in the spread?—A. Yes, there would be quite a difference in the spread.

Q. Your turnover was very slow, on your long term loans?—A. Yes.

Q. How long does your term go?—A. Thirty years.

Q. In the one turnover?—A. Yes.

Q. I should think that where a bank was turning it over several times a year the overhead would not be as great as on the long term?—A. Yes.

Q. The smaller your percentage of operation, the greater your operating cost?—A. Yes.

Q. This seems to work the other way.—A. The criticism that was offered at the time the Act was put into force was that it would be impossible to work on a one per cent margin.

Q. Who was your chief critic?—A. A great many of the loan companies did not think it was possible, nor the banks. The financial institutions did not think it was possible. We had, up to the 30th April, disbursed loans to the amount of $8,533,750. We have still principal outstanding amounting at that date to $7,625,015. That means that our loans are repayable on the amortization plan, so much principal to be paid each year. Our principal amounts to $7,625,015.

By Mr. Caldwell:

Q. When your loans are made at 6 per cent interest, what are your payments yearly per thousand dollars?—A. $72.65. That is to retire the loan in thirty years, if the payments are kept up.

Q. Do those payments retire your bonds and meet all expenses?—A. Yes. Under the twenty-year plan it is $80.60.

Q. You figure that that will meet the bonds where the money costs you 6 per cent, principal, interest and costs of administration, and not be out anything? —A. Provided we do not meet any losses. We are putting up a reserve to take care of the losses in our operation expenses.

Q. What are you building that up out of?—A. The profits made at one per cent.

Q. The $136,000 was made out of the one per cent spread, and is going into a reserve to meet losses?—A. That goes to meet losses.

Q. As far as you have gone, you have been in operation five years?—A. Six years.

Q. As far as you have gone, would your net profit on the business cover what losses you have made in the six years?—A. We have not made any losses yet.

By the Acting Chairman:

Q. You were reading from a statement. Will you file that statement after you are through?—A. Yes.

Q. Go on with your statement now.—A. We had payments falling due last fall. I have the interest dates coming in four periods, the first of October, the first of November, the first of December and the first of January. We do that for the reason that it helps to lighten the work in the office. Instead of having our payments all coming in at one date, we have it coming in on four different dates. It also gives us a chance to help districts where the earlier harvests come in by having the payments due on the first of October. The rest come on the first of November, the first of December and the first of January. We collected up to the 30th of April on our October payments 68¾ per cent of outstanding liabilities on mortgages coming due that date, and so forth, which includes principal, interest, as well as taxes to keep land from being sold, for seed grain advances, hail insurance premiums and insurance premiums on buildings.

By Mr. Sales:

Q. Have you zones for these payments?—A. Yes, practically we have zones. When I put a loan on land, I see what date it should come due.

Q. Take the Southern Manitoba harvest, that comes in earlier?—A. That comes in earlier. As we go farther north and west, it is a little later in the marketing. On the November 1st payments we had collected up to the 30th of April 53½ per cent, on the 1st of December payments 48 per cent, and on the 1st of January payments 44 per cent.

By Mr. Hammell:

Q. How do you account for the falling off in the percentage collected in those different months?—A. Well, the winter was pretty severe. There was a

lot of marketing of grain to do, and is yet. Take February and March especially, we found that they were not marketing very much grain. We have been holding a lot of tickets. A man would send in wheat tickets against his payments, and we are holding them until the spring. There are some of them to be sold yet. I sold a thousand bushels just before I came away for a man in Souris, who sent his tickets in last fall.

By Mr. Gardiner:

Q. Those are not shown as actually sold?—A. No.

By Mr. Caldwell:

Q. You are still holding some?—A. Yes. There are men who have cattle to sell. We are expecting a good many payments to come along this spring. In the first three days of May we had $2,500 come in, which is not accounted for in this statement.

By Mr. Sales:

Q. What have your arrears been in previous years; does this include the whole thing?—A. Everything, ever since the beginning. We had outstanding principal on the 30th of April amounting to $80,782.06.

Q. That is, arrears of principal?—A. Arrears of principal. They fell due under these interest dates, the 1st of October, the 1st of November, the 1st of December and the 1st of January.

Q. What is the amount of interest?—A. $274,484.28.

Q. That is, arrears?—A. That is arrears. In that item would be included taxes and insurance premiums as well. That would run possibly into $20,000 or so.

By Mr. Gardiner:

Q. That sum of $274,000 includes practically everything by way of principal or extra charges?—A. Any extra charges against land.

Q. That is the total?—A. That is the total. Last fall I had to disburse $25,000 for hail insurance premiums, which is charged up against the mortgages, and which is included here. Since the 1st of January I have had to disburse $10,000 for fire insurance premiums. We carry the insurance policies, with the losses assigned to the association in case of loss. Of course we see that they are kept in force.

Q. What rate of interest do you charge upon these payments you have to make?—A. The same as is carried in the mortgage.

By Mr. Sales:

Q. Did you have to pay the taxes of many of your people?—A. Oh yes. We had to pay quite a number of them last fall.

Q. How many?—A. I really have not got the figures, Mr. Sales. My accountant was sick in bed when I got the telegram. He was still there when I left.

Q. How many borrowers have you got altogether?—A. We have 3,276.

Q. 3,276? You have no idea of the percentage you have to pay taxes for? —A. No, it is a very small percentage.

By Mr. Gardiner:

Q. What is your opinion as to the reason of these delinquencies in unpaid interest and principal?—A. In the fall of 1921, the rust was pretty bad with us, which accounted for a good deal of our arrears that year. I collected last year, sixty per cent for the year 1921. We carried over forty per cent of the arrears, with the principal and interest that fall. We had forty per cent of the year before, in 1922, to collect.

APPENDIX No. 3

By Mr. Sales:

Q. You would find that poor farmers were worse affected by rust?—A. Yes. I only had $23,000 arrears carried over at the end of 1920. When I got through with 1920 there were only $23,000 arrears outstanding at that date.

Q. The point I had in mind is, that it is not always the poorest farmer who fails to make his payment?—A. No, sir.

Q. He has no control of the circumstances?—A. No.

By Hon. Mr. Tolmie:

Q. Up to how much do you loan?—A. We are restricted to fifty per cent of the valuation.

Q. There is no special sum you may loan. You may loan a man $50,000? —A. No, $10,000 is the limit. I misunderstood you.

By Mr. Gardiner:

Q. Do you have your own men make the valuations of these properties?— A. Yes. We have our travelling inspectors who go out from the Head Office always.

By Mr. Sales:

Q. Have you found any difficulty in getting money at all?—A. No. We have no trouble in getting all the money we need. The Government, up to the present time, have always footed their own bonds, and we, in turn, give our bonds in lieu of those.

Q. Is there not a savings bank in your province?—A. Yes, but we have not five cents of that money.

Q. Can you explain the difference between rural credits and your loans?— A. They are entirely different.

By Mr. Caldwell:

Q. Under separate management?—A. Yes.

By Mr. Sales:

Q. Just short term?—A. Just short term.

Q. One, two or three years?—A. No.

Q. One, two or three years?—A. No, I think it is supposed to be paid back in the same fall in which it is borrowed, except where it is used in the case of breaking. If it is used in breaking the land, they would not get the advance until the next fall.

By Mr. Caldwell:

Q. How about loans for stock raising. Does it come under rural credits in this scheme?—A. We are allowed to loan money for the purchase of live stock.

By Hon. Mr. Tolmie:

Q. How much?—A. We can make a full loan for live stock, as long as the application comes under the Act.

By Mr. Sales:

Q. As long as you have the land for security?—A. Yes, and where the Board is satisfied the money would be used for that purpose.

By Mr. Caldwell:

Q. When you make a loan do you keep a supervision of the expenditure of the money?—A. No. We satisfy ourselves on it when the

loan is granted. We have a statement from the man that he is going to use it for that purpose and we do not follow it further. We very often make a loan and hold back a few hundred dollars or a thousand dollars for so much breakage.

By the Acting Chairman:

Q. You go entirely by the advice of your appraiser that you send out?—A. Yes, but where part of the money goes to pay the bank, we always get evidence from the bank or from the man himself that that money is borrowed for agricultural purposes. If it had been borrowed to buy a house in Vancouver or somewhere else we would turn it down.

Q. You have no country organization. You act direct through the inspector.—A. Yes.

By Mr. Sales:

Q. Have you rejected many applications?—A. Yes, we have rejected a lot of applications. The applications total $20,528,780 since the beginning.

Q. You only approved of $8,500,000?—A. Yes.

Q. What is your experience in having to reject these?—A. In a great many cases the man asked for a little too much and in a great many cases we found the farms were rented, and they did not qualify under the Act.

By Mr. Robinson:

Q. Do you have to reject as many now as formerly?—A. No. That was at the beginning.

By Mr. Sales:

Q. In some cases I suppose that refers tc poor farmers?—A. Yes. We would have to size the situation up, and in a great many cases we would make an offer of so much money and it would not satisfy the borrower and he would make arrangements elsewhere. A great many of them declined. In many cases we would offer to make a loan and it would not meet all the needs, and he would not go on with it.

Q. Can he borrow from the ordinary loan companies better than he can from you?—A. In some cases he can.

By Hon. Mr. Tolmie:

Q. Is it the best class of farmer that is able to get the money?—A. No, our loans are very well represented all over the province.

Q. But naturally with the things that you insist on, in the way of security and so on, it would result in a very good class of farmers securing the money?—A. No, not necessarily. We have loaned a great deal of money in the north country, where the other loan companies do not go in at all.

Q. Also in the case of the man whose prospects are good?—A. Yes.

Q. Usually you take into consideration the quality of farming this man is carrying on?—A. All these things are taken into cnsideration in considering the application.

Q. Do you give preference to mixed farming, in preference to the wheat grower?—A. No, not particularly. We like to see them with some stock, always.

By Mr. Sales:

Q. Would not this 68¾ percentage of it covered by you, be largely the grain grower?—A. Largely the grain grower, close to the city, in the Winnipeg locality and in southern Manitoba.

Q. They are more exclusively grain growers?—A. As far as I can think, I have only two loans on the Portage plains altogether.

By Mr. Caldwell:

Q. Could a farmer use a portion of this loan to pay off his obligation with the bank?—A. Provided the money had been borrowed from the bank to assist him in farming operations. If he had borrowed it to buy a house or anything of that kind, we would refuse it.

Q. Or a piano or an automobile?—A. Or a piano or an automobile. We have tried very hard to live up to the requirements of the Act in that regard.

By Mr. Hammell:

Q. Did you have any applications from what is known as the Portage plains that you did not fill?—A. No. We have had twenty parcels of real estate come back on our hands. About fifty per cent of these would come back by way of transfer, where a man got discouraged and quit, and he felt he could not continue any further, but where they go on and transfer back, we have to take sale proceedings on account of the land being abandoned. We have on our hands up to the present time about 4,200 acres that have come into our hands. Out of that we sold four parcels. We have 3,100 acres on our hands to-day.

By Mr. Sales:

Q. Did you lose money on these?—A. No, we got out with a little money in each of these cases. When a piece of land comes back on our hands, the practice is to put it into real estate at the principal amount outstanding and wipe out all interest up to date. We have not done that up to the present time, but we expect we will have to do that in a few cases. In those four parcels that we sold we have been able to sell them and get a little profit out of them and still charge up accrued interest up to that date.

Q. When did these parcels come back into your hands?—A. Largely last year. Last spring. I had two parcels in 1920. The men abandoned their farms. One of these I sold since that time. We have the other still. It is up in the north country. It was a mixed farming proposition, and not in a very good district?

By Hon. Mr. Tolmie:

Q. These men to whom you have refused loans must be quite numerous in comparison with those to whom loans were granted. Was there not a future prospect of making the farms pay? They might develop in a year or two into a better position, where they could get the grant?—A. In a great many cases there were already large loans on the farms, and we felt where they were such a demand on us, that those loan companies ought to carry their own borrowers, unless it was in the case of foreclosure or something of that kind. Then we would try and take care of them there. The Board did not want to corral all the business of the province. The thing was to have this thing in the field, in order to regulate rates. The indirect benefit of that Board coming into the field with cheaper money was just as great as the direct money benefit.

By Mr. Sales:

Q. Had it that result?—A. Yes.

Q. Is it not a dangerous policy to make a loan to a man who is in danger of being foreclosed by a loan company?—A. We did that in very rare cases. It was only after due consideration and they turned out alright in most cases.

Q. Sometimes sales proceedings are started where a man has lots of security. Why should that be?—A. I do not know. It is a hard thing to say.

Q. In the case of a piece of property worth $10,000, where the mortgage is only $1,000, foreclosure proceedings are started because the man is in arrears. That does not look reasonable. That happens many times.—A. Yes, it happens sometimes. We have had to start sale proceedings in some cases; where we

cannot get the man to answer letters or take any action at all, sometimes we start sale proceedings to bring him to time. But I guess that applies in other parts and with other companies too. I was for eleven years in other loan companies before taking over this work. The thing a loan company does not want to do is to take over a man's land, instead of getting payment; but you cannot let a loan drag on indefinitely.

By Mr. Sales:

Q. Have you found that loaning money at six or seven per cent has had an effect on the interest charged by the ordinary loan companies?—A. I think so.

Q. What is it now?—A. It is eight per cent. I feel sure that a great many renewals that were arranged since we started would have been at one per cent higher rate had we not been in the field.

Q. That is they would have been at nine?—A. Yes, there would have been a lot of them at nine, I think. The indirect benefit in that way has been as great as the direct benefit, I think.

By the Acting Chairman:

Q. Have you completed your statement then, Mr. McNeill?—A. Yes.

Q. You file your report and balance sheet of August 31st, 1922, submitted by the Secretary of the Association, to the Hon. the Provincial Treasurer.

Is it the wish of the Committee that this should go in as an Exhibit? Then it will be filed as EXHIBIT 128. (Printed as appendix).

Mr. McKAY: Is that the Annual Report, Mr. Chairman?

The ACTING CHAIRMAN: Yes. The Act will be filed as Exhibit 127, but not to be printed. (EXHIBIT No. 127. Not printed).

Then Mr. McNeill files with the Committee the statement he has just explained to us by his evidence, which will be Exhibit No. 129 and will be printed. Any further questions? EXHIBIT No. 129 printed as appendix.

By Mr. McKay:

Q. How many years has your Board been in existence?—A. From 1917.

Q. And how many Annual Reports have you had?—A. We have had five Annual Reports. We were in operation a year and a half before the first Annual Report. The last is dated August 21st, 1922.

The ACTING CHAIRMAN: Mr. McKay, do you wish for these reports?

Mr. McKAY: Yes, I would like to have them in.

By the Acting Chairman:

Q. Could you let us have those reports?—A. Yes, I will mail them to the Secretary of the Committee.

Q. We will ask you to do that.

By Mr. Munro:

Q. I would infer from your evidence, Mr. McNeill that there is plenty of money available for loaning purposes in your country?—A. Yes, It has been no trouble for us to borrow sufficient money to carry on with.

Q. On the basis that you would recommend anyone receiving a loan?—A. Yes.

Mr. SALES: But he has rejected three-fifths of the applications.

Mr. MUNRO: Yes, but I think he has given fairly good reasons why he rejected them.

The WITNESS: We tried to administer this Act on a strictly business basis, on the question of security absolutely. Not because there was a Government concerned or anything like that, where we would try to make larger loans.

By Mr. Sales:

Q. There is only one point in connection with this which we might clear up. Are there a large number of farmers in Manitoba who cannot borrow at all?—A. No, I don't think so.

Q. You think they can always get accommodation?—A. A great many had already had accommodation and they came to us in a great many cases to get their mortgages paid off and to secure a lower rate of interest from us.

By Mr. Hammell:

Q. Thinking they were going to get easy money?—A. Yes, that is right.

By Mr. Gardiner:

Q. Would not that be a good business proposition for any farmer to endeavour to get a lower rate of interest, rather than keep on paying the nine per cent?—A. Yes, but we felt that we could not take care of all the business.

Mr. SALES: I would hardly agree that it was "easy money" even at seven per cent.

Mr. HAMMELL: Mr. McNeill made the statement that the bulk of these applications were when this law first came into force. The same thing happened in Ontario; there was a stampede of people flocking to the Board looking for money when the Board considered that many of them were not good business at all.

Mr. MILNE: Do you blame them for trying to get a lower rate of interest if it was possible to get it?

Mr. HAMMELL: No, I would not blame them for that; but people who were no good could hardly come for money and expect to get it, which was the case with lots of them in Ontario. No business concern, or you yourself, would entertain making a loan to some of them.

Hon. Mr. TOLMIE: The security was not good.

Mr. HAMMELL: No.

Mr. MILNE: That is not the point Mr. McNeill made. As I understood him these were reliable men who had loans at nine or ten per cent and wanted to get a reduction.

The WITNESS: They did not have it at nine or ten per cent; a lot of them had it at eight per cent. Under the existing conditions at that time we thought we could not go into the market and borrow a lot of money, because it was hard to get it, and we thought where they were secured with a reasonable rate of interest from the ordinary loan company, that we ought to keep all the money we had to take care of the fellow who needed it worse and could not get it. We went to a lot of the outlying points where the other loan companies were not doing much and assisted the men there.

By Mr. McKay:

Q. Under the normal conditions many of these men could have been dealt with?—A. Yes, it was a question of whether they were already provided for.

Q. I suppose many of these men who applied wanted to consolidate their mortgages and secure a lower rate?—A. Yes, in a great many cases, and in fact many applications came in that were made in ignorance of the wording of the Act, they did not qualify under the Act; a great many people who were renters, for instance, and we had to reject them on that ground.

By Mr. Sales:

Q. Do you think agriculture can stand eight per cent in the West?—A. Well, it is a pretty stiff price, Mr. Sales.

By the Acting Chairman:

Q. Am I to infer from your general statement that the benefit of the Loan Board in Manitoba was to give a low rate of interest?—A. It was just a regulating effect, really, was what we had in mind.

Q. And the extension of credit or borrowing power to sections of the Province not covered by the loan companies.—A. Yes, not covered by the ordinary loan companies.

By Mr. Gardiner:

Q. For what reason was it that these loan companies did not go into the different sections that you speak of?—A. Well, they had loans already made outside of those localities and it was an expensive proposition going into these outlying points where small loans were asked for of say $300, which were just as expensive to look after as a $4,000 loan.

By the Acting Chairman:

Q. You told us earlier in your evidence, Mr. McNeill, that the Government floated bonds and sold them to get the money?—A. Yes.

Q. Were these bonds sold readily to the investor in Manitoba?—A They were sold outside the Province, I think, pretty much; sold in the open market.

Q. In New York?—A. Yes, a lot of them were sold in New York.

Q. At six per cent?—A. Five per cent.

Q. Most of the money was borrowed at that rate, was it?—A. Yes, I have a statement showing the proportion.

Q. You in turn then at the time gave your bonds for the proportion to the Government?—A. In lieu of theirs, yes, as they advanced the money, and we paid the same rate of interest as it cost the Government and paid all expenses of the issue. That was charged up to our Board.

By Mr. McKay:

Q. What percentage would your expenses amount to, one per cent?—A. In the operation?

Q. Yes.—A. That is all we had. We had only one per cent to operate on. That was supposed to operate.

Q. That was not only the expense of operation but in reference to the sale of the Government bonds?—A. Yes, it paid all expenses, salaries and so on.

By Mr. Robinson:

Q. And left a surplus?—A. Yes.

By Mr. Sales:

Q. Are your arrears as much this year as in previous years?—A. It is the largest. Our business has grown. Last year we carried over forty per cent. This year we have collected only up to fifty and a half but I expect to get up to sixty before the summer is over. I think we will break about the same as last year.

Q. That is the proposition has been a little more difficult this year than in previous years?—A. Yes, a little more difficult. Out of that $136,000 of profits we paid $10,000 back to the Government for the organization grant that they gave us at the beginning. We refunded that to them last fall.

By Mr. McKay:

Q. Paying expenses?—A. Yes.

Q. What is your opinion of the working of the Act?—A. I have no hesitation in saying that the Act has been of great benefit to the Province.

Q. You think it is perfectly solvent?—A. Absolutely, yes.

By Mr. Caldwell:

Q. You do not think your bondholders are in danger of losing anything?—A. No, I don't anticipate any loss. We have had a few little losses but any loan company is bound to have that.

By Mr. Sales:

Q. One point the Chairman is rather anxious to find out and that is the attitude of the farmer towards any scheme of loans under the Government. That is their willingness to repay the Government as compared with their willingness to pay the ordinary loan company. What is your experience on that line?—A. I must admit that there are some of them want to take advantage of that a little. We have had that trouble to work against. It is gradually disappearing though, because they know, as far as our Board is concerned, that we won't tolerate it, that is all.

Q. Is your Board appointed for any stated length of time?—A. No, there is no definite period of time. They are to remain in office until such time as they are dismissed. They can be dismissed at any time by the people who appointed them, but no definite stated term of appointment.

Q. Is the Board paid by the Government or out of the business?—A. No, we pay all the expense of the Board, all the salaries. My own salary is paid out of the running expenses.

Q. You are the only man on full time?—A. Yes, the Board gets ten dollars a meeting and expenses.

Q. Whether it is one or two days?—A. Yes, well, of course when we call a meeting it is usually not more than three hours, three or four hours.

By the Acting Chairman:

Q. How often do you meet?—A. Under the Act we have got to meet at least once a month, but last year we had 32 meetings, so that their fees were $320.

By Mr. McKay:

Q. Is your Province financially strong enough to carry on the present agricultural credits?—A. Yes, we think so. I would say so.

By Mr. Robinson:

Q. Did you ever have any outside influence try to effect a loan or anything of that kind?—A. We did for the first year or so, but I have not had any trouble since at all; it is the stand we took in the first place.

By Mr. Gardiner:

Q. In the event of your Board trying to satisfy the needs of legitimate borrowers, would the province be in a position to supply you with the money? —A. I think there would be no doubt about being able to borrow, yes; however, that is a pretty big proposition. There are some sixty millions out on first mortgage in the province at the present time.

Q. The point I want to get at is simply this; realizing that farmers must have cheaper money if they are going to continue farming in the west, no doubt eventually most of the farmers who at the present time have loans with the other companies at high rates of interest will desire to take advantage of your scheme—.—A. Yes.

Q. In that case I presume the Government will be in a position to handle the financial needs and supply you with the money to give the farmers the loans at the present rates of interest you are charging?—A. Yes, no doubt.

Q Take care of all of them?—A. I think we should take care of all of them, if necessary, yes.

By Mr. Robinson:

Q. You do not get any federal assistance?—A. No.

Q. Do not need any?—A. No.

By Mr. McKay:

Q. Do you find the ordinary loan companies are coming down to your rate of interest on the renewal of your loans?—A. Not quite; I do hear they are lending some at 7 per cent now. There is lots of money available for loaning in Manitoba to-day even among the other companies, I think.

By Mr. Sales:

Q. How do you account for it that Saskatchewan money is being lent at 9 per cent?—A. It has always been that the rates of interest are higher in Saskatchewan than Manitoba.

By Mr. Gardiner:

Q. What is the reason for that?—A. Manitoba is an old settled country, and things are a little more stable, and nearer the market.

By Mr. Sales:

Q. Ontario is older than Manitoba and rates in Ontario are less than in Manitoba, and Manitoba is older than Saskatchewan, and therefore the rates are a little lower?—A. Yes.

The Acting Chairman: The freight rates are higher the further west you go.

Mr. Sales: Do you think freight rates and interest go hand in hand?

The Acting Chairman: No, but the more expense you have against your product the more risk there is loaning money.

Mr. Caldwell: The more handicaps the man has the more he should have?

Mr. Sales: The further west they go the higher the freight rate is and the higher the interest rate is going to be.

Mr. Hammell: That applies to any new country; the newer the country the greater the obstacles, and always will be.

By Mr. Gardiner:

Q. One question, in view of the statement you have made, that the farther west you go the higher the rate of interest, does that mean that probably the farther west you go you have more new settlers, and that those should be enured to the pioneer hardships while settling up the country by paying higher interest rates?—A. I suppose the risk in investing money in farther outlying points west is greater than in an old established province like Manitoba where it is pretty well settled, and where if a piece of property did come back on your hands you have a better chance of disposing of it.

Q. Don't you think that is more a theory than an actual fact? If you were going farther west the valuation of the property would naturally be less than it would be in Manitoba; consequently the amount of money you lend on a piece of property farther west would be much less in proportion than you

would lend in Manitoba; consequently under those circumstances the risk would be practically no greater. Yet you presume they should be charged a higher rate of iterest?—A. It is being done; I did not say I presumed it should be.

Mr. SALES: It was the statement the chairman made.

The ACTING CHAIRMAN: I said we had evidence before us that it was being done.

Mr. MUNRO: Is it not a matter of business that the poorer the risk the higher the rate paid? I assume if it is a newer country and the loans are placed more widely apart there will be more cost in connection with those loans from start to finish; that is our experience further west.

Mr. SALES: How long have we to go before we are considered old enough to have a reduction in interest?

Mr. MUNRO: That is a matter of business. As a country gets filled up and conditions get stabilized you always get a better rate of interest.

Mr. GARDINER: I think the idea behind it is when you get a pioneer country bleed them for all they are worth.

Mr. SALES: The necessities of the borrowers—.

Mr. GARDINER: Are greater, consequently you can bleed them, and do so.

The ACTING CHAIRMAN: I think you are overstating that. You get a greater percentage of misfits in a new country, and as time goes on they are weeded out and the risks grow less.

Mr. MCKAY: If the most remote parts of the province had units there they could get money just as easily as in the centre; if the farmers formed units in their townships they could borrow the money just the same as they could in the densely populated centres of the agricultural population.

Mr. SALES: What kind of units?

Mr. MCKAY: Take the Province of Ontario, they have units in the township; a township unit is composed of seven members, and these units act as the medium to get the money from the Government.

Mr. SALES: By pledging each other's credit?

Mr. MCKAY: No.

The ACTING CHAIRMAN: They pass upon the applicant.

Mr. MCKAY: Yes. No matter how scattered the township may be if there is enough to form a unit, and if there is not enough the law provides for amalgamation to form a unit.

Mr. SALES: You are talking of the rural credit scheme as against these farm loans—

Mr. MCKAY: Both; long term loans. The other day we had only fifteen short term loans, so that it is all long term loans in the Province of Ontario. Even though two townships had to unite, they could act as a unit and get money just as cheap as any other part of the province.

WITNESS: Where would they borrow that money for long term purposes?

Mr. MCKAY: The same as your Manitoba system; they get the same access to the reservoir of money as any other farmers in the Province of Manitoba, no matter how remote they would be. You take in Northern Ontario, in the fire area, I might say that probably the bulk of the loans are up in that new district. In the Ontario system there is no limitation as far as that is concerned, a man in the remotest part of Ontario could get a loan from the Government under the system.

[Mr. Lachlan McNeill.]

By Mr. Hammell:

Q. There is no difference in different parts of the province out west?—A. No, it applies all the same.

EXHIBIT No. 130
Cash received on account.
(Printed as appendix).

EXHIBIT No. 131
Financial statement.
(Printed as appendix).

By Mr. Milne:

Q. Can you give us any information on the short term loans?—A. I have not made a study of short term credit; I have devoted all my life to these farm loans. I know in a general way the working of the system.

The ACTING CHAIRMAN: We thank you for attending on the committee. We will now call Mr. Fraser of the Farm Loan Board of Saskatchewan.

Witness retired.

COLIN FRASER, sworn and examined.

By the Acting Chairman:

Q. What is your address?—A. Regina.

Q. Your occupation?—A I am Commissioner of the Saskatchewan Farm Loan Board.

Q. I have before me the summons that was sent you, similar to that I read to Mr. McNeill; you were asked to bring with you and produce all information concerning the organization and operation of the Farm Loan System, and all figures necessary for a full investigation into the working of your system including particulars of amounts invested, amounts advanced, amounts of principal and interest in arrears. Have you a statement that you wish to put before the Committee?—A. I have not prepared any statement at all. I brought certain documents with me; I brought copies of all the reports that have been issued by the Board.

Q. Annual Reports?—A. Yes. There are six of these; we have been in operation since 1917.

Q. Describe briefly the history of your organization, and at the close of your evidence you may place those on file with the Committee, if you wish?—A. Yes, I brought them down for that purpose.

Q. We will file them as you go along?—A. The Act under which we operate was passed in March 1917, and the purpose of the Legislature was to secure lowering of the rate of interest. They felt that the interest rate charged on farm mortgages in Saskatchewan was higher than the circumstances warranted, and higher than the farmers could well afford.

EXHIBIT No. 132
Saskatchewan Farm Loan Act and Amendments.
(Not printed).

Q. What was that general rate?—A. It was at that time ranging from 8 per cent to 9 per cent, generally it was 8 per cent in 1917.

Q. On what terms?—A. Five year terms.

Q. Five years and over?—A. Yes. And the Board fixed their rate for mortgages at 6½ per cent, started loaning at 6½ per cent. That they felt was the lowest they could lend at at the price that had to be paid at that time for money. The Provincial Treasurer borrowed the money for the Board, and he has been endeavouring to borrow at 5 per cent, but he has not been very successful, that is we have been now for two and a half years practically out of funds unable to secure money with which to continue operations very practically very actively.

Q. At the five per cent rate?—A. Yes; and we were confined to the province itself for securing funds, we were not permitted to borrow money in the fall of 1917, the first fall that the Provincial Treasurer intended starting a general campaign; he was stopped right after he started.

By Mr. Hammell:

Q. By the Minister of Finance?—A. Yes, to permit the war funds to be secured instead, and we were running along pretty slowely quite awhile for that reason, and it has not been possible I presume for the Provincial Treasurer to go outside into the open market to get money at a low enough rate to lend. He was paying 5 per cent for the money he borrowed on what are called farm loan debentures or "Greater Production Bonds" they were called while the war was on.

By the Acting Chairman:

Q. Those were issued by the provincial government?—A. Yes; he pays 5 per cent on those and he charges us five and one third per cent for the money; one third is presumed to be sufficient to cover the expense of raising the money for us and looking after the matter, and we lend the money at 6½ per cent.

Have you been able to operate at the one per cent all over?—A. We have one and one-sixth per cent—yes, we have not only been able to carry on all our expense, but we have a surplus of between $140,000 and $150,000 in that period while we have been operating.

By Mr. Hammell:

Q. Have you ever considered the advisability of reducing that spread of one and one-sixth per cent?—A. Yes.

Q. And allowing the Provincial Treasurer to increase the interest that he would pay?—A. No, we have not; our surplus is a pretty small surplus considering we have over nine millions out, you see, and we are providing for the possibility of losses; we have not realized any losses so far, but there are possibilities of loss. We have property on hand, and we have those that will come on hand, and there are districts in the province that have not been very successful of late years, and there are possibilities of loss, in fact I might say probabilities for loss.

By the Acting Chairman:

Q. Mr. Fraser, you have told us how you get your money; what security do you give to the provincial treasurer?—A. We hypothecate all our mortgages with the provincial treasurer. All our mortgages are turned over to him.

By Mr. Hammell:

Q. Endorsed by the Board?—A. They just hypothecate them. We loan the money to the farmer and then hypothecate the mortgage.

By the Acting Chairman:

Q. Describe your system of loaning to the farmer—A. The farmer applies to us, makes an application—of course our Act restricts our loans to certain purposes; as amended, the Act now says:

"Section 13:

Every loan shall be expended on or used for the purpose of reimbursing a borrower for moneys already expended on:

(a) Purposes which in the opinion of the board constitute permanent improvements to the property mortgaged as security; or

(b) Purposes which in the opinion of the board will assist in the production development of such property; or

(c) The payment of liabilities, which in the opinion of the board have been incurred for any of the aforesaid purposes; or

(d) In special cases with the approval of the board, and upon such conditions as it deems advisable, the acquisition of land for agricultural purposes."

You see, we are restricted in the purposes for which our money may be advanced. The farmer makes application to the Board for a loan, he comes direct to the Board, we have no agents, and pay no commissions, and we have an application form which calls for particular information as to the purpose for which he requires the loan.

Q. Do you advertise?—A. No, we do not advertise at all; we are too well known for the amount of funds we have available.

By Mr. McKay:

Q. Your borrower appears in person? -A. He just writes in to us and we send out an application blank.

By the Acting Chairman:

Q. How many have you on your Board?—A. Three.

Q. How are they appointed?—A. All appointed by the Government.

By Mr. McKay:

Q. Farmers?—A. No, there is not a farmer, practically not a farmer. In one sense, they are all farmers, they all have farms, but the three members of the Board—one comes from Saskatchewan, he is a retired banker, and Mr. Grayson of Moose Jaw is a rancher and farmer.

Q. You have a farmers' government there?—A. It is not called a farmers' government exactly, but it is a farmers' government in reality.

By Mr. Caldwell:

Q. You say you have some unsuccessful districts?—A. Yes, there are unsuccessful districts.

Q. Where would they be located?—A. The southwest corner of the province; for instance, the extreme southwest corner has been very unsuccessful since 1915.

Q. For what reason?—A. Too dry; drought has affected them every year of that period.

Q. Is that the only section?—A. No, there are other sections, there is a section that for several years now—almost as long a period—that is the section north of the South Saskatchewan, extending westward say from Elbow to the western boundary; generally speaking, that has been a dry area for four or five years. That is the central west.

By Mr. Sales:

Q. And that is the district which produced the big crop in 1915?—A. Yes that southwest area generally had a tremendous crop in 1915.

APPENDIX No. 3

By Mr. McKay:

Q. I would like to ask a question. Supposing a farmer writes in for a loan, from some remote part of your province, would you describe the procedure before he would get that loan?—A. Yes. He writes in to say he wishes a loan, and if we have funds at the time we send him an application blank. He fills that out and furnishes us with the information; he is supposed to detail the improvements on the land, the character of the soil and the subsoil, and what he has in the way of stock and implements. This is all called for in the application form, as well as the distance from market. Then we examine this application, and if the purpose for which he desires the loan meets with our requirements, then we look at the security to see, generally, how much of a loan he requires, and if there is a likelihood that the loan will be all right, then it is followed up, our inspector goes and looks at the land—.

Q. You have an inspector going over the land?—A. Yes, every time; we inspect every property.

By the Acting Chairman:

Q. Before you answer his application you send your inspector?—A. No, before we decide whether we will make the loan. We may decide not to make the loan at all, before sending an inspector up. For instance, supposing he asks for a loan of $1,000, and he says his property is worth $1,500; our Board is not permitted to loan more than 50 per cent, and as a matter of fact they do not care to loan more than 40 per cent. That is our regular limit; 40 per cent of our valuation.

Q. The valuation put on by your own inspector?—A. Yes. If he is asking for more than 40 per cent of his own valuation, we tell him there is no likelihood of it, because our valuation is very generally lower than that of the applicant. Occasionally we will have an applicant who will belittle his own property, but it is only one in 500, perhaps.

By Mr. McKay:

Q. Is your appraiser a farmer?—A. No, they are not farmers; one of them was a farmer—at any rate he homesteaded in Saskatchewan; another operates a farm, and has for years, but the third was never a farmer.

Q. You have three appraisers?—A. Yes.

By Mr. Munro:

Q. Do they go together or singly?—A. Singly. We keep one for the southern portion of the Province—that is, we divided the Province roughly into two portions, and we have two inspectors for the northern portion and one for the southern.

By Mr. McKay:

Q. Supposing you made a loan of $1,000, what would be the initial cost?—A. The solicitor's fee is regulated by the Board; the solicitor's fee on a $1,000 loan, if the title is clear, is $7.50, and whatever the disbursements are must be paid in addition. The disbursements are usually the fees paid to the registrar for registering the mortgage and abstracting the title and so on.

Q. About what do they average on a $1,000 loan?—A. The cost would run to $20 perhaps. The valuation, the inspection charge, is also charged.

By Mr. Caldwell:

Q. Charged to the borrower?—A. Paid by the borrower.

By Mr. Hammell:

Q. What is your inspection charge in Saskatchewan?—A. It varies from $6 to $10. We have a flat charge of $6 and a mileage charge of 10 cents a mile both ways from the nearest railway statiton with hotel accommodation, with a limit, in the case of mileage, not exceeding $4. That would allow 20 miles.

By Mr. Caldwell:

Q. And $6 for the inspection?—A. A flat rate of $6 and $10 is the highest charge we make for an inspection. If we have to go fifty miles it is not any more.

By Mr. Gardiner:

Q. Who pays the railway fare of the inspector?—A. The Board pays all the inspector's expenses, and we charge the borrower the inspection expenses based on that regulation. It may cost us $50, but we could not charge more than $10. A cost of $50 is very rare.

By Mr. McKay:

Q. The farther away the heavier it is.—A. A man who is fifty miles from the railway, we charged him ten dollars.

By Mr. Gardiner:

Q. Has that man got as good a chance of getting a loan as the man near the railroad?—A. He has as good a chance, but not for so large a loan. He willl get 40 per cent of what we consider his property is worth, but no more.

By Mr. Caldwell:

Q. Does the Central West comprise any considerable area?—A. Yes, a large area—a very large area.

Q. Take in the Southwest corner, it would comprise a large part of the Province?—A. Yes.

Q. About what proportion of the province? One-third?—A. No, not a third, that would comprise about one-eighth.

Q. You have some very successful portions I suppose?—A. Yes.

Q. I imagine around Abernethy would be one of the successful portions? —A. I think it must be. We have very few applications for loans from there.

Q. It is one of the oldest districts?—A. Yes, it is an old settled district. Very likely they do not need them so much, or they are already served with loan companies, and do not want to go to the expense of a new loan for the sake of the difference in rate.

Q. We had a witness here who said that they did their business around Abernethy, but I think they paid a higher rate of interest.—A. Yes, they do not get any loans there under 8 per cent. I think they pay 8 per cent on their loans, but we have had very few applications from the Abernethy district, and made very few loans. We have very few applications from the Indian Head district. The applications that flooded us when we started came from the remotest portions of the Province, portions that the loan companies did not touch, or would not touch. We were flooded with applications from those sections.

Q. From what part of the province?—A. The extreme north—the north-east.

By Mr. Sales:

Q. On the Prince Albert line?—A. Yes, from Ravine back to Fort Pitt.

Q. What has been your experience in that district?—A. The loans have been very satisfactory to the Board. They are mixed farmers. All of them have stock and cattle.

Q. And the loans are small, too?—A. Yes, relatively small.

Q. One thousand dollars?—A. One thousand dollars would be well above the average of the loans on a quarter section.

By Mr. Hammell:

Q. How many applications does this $9,000,000 represent?—A. We have made about 3,850 loans, perhaps a few less than that. I have not the exact number.

Q. How many have you rejected?—A. We have rejected far more than that, I would say—more than that at any rate.

By Mr. Mackay:

You have rejected over fifty per cent? –A. I think perhaps we have. We have a great number of applications that have never been dealt with at all. We have been out of funds practically since December, 1920. We have paid out a great deal of money since then, but it was on business that had been transacted before that. These transactions existed prior to that date, but we have had great difficulty in securing funds for our purposes.

By Hon. Mr. Motherwell:

Q. Have you any classification of these loans, indicating whether they were made to pay off mortgages, and if any of them were used for buying land, and buying stock, and that sort of thing? There is a large percentage, I understand, for clearing up old loans.—A. The earlier loans that were made—the loans made in 1917 and 1918, while the war lasted—a great number of these were loans to original homesteaders who had no loans at all. We gave the preference while the war lasted with our limited funds, to the man who had no loan, and who could not get loans from the loan companies, and a great number of our earlier loans were made in remote districts, where they were made to increase cultivation. The Board departed from the original intention of the Act to aid production.

By Mr. Sales:

Q. If the man who has a homestead for ten dollars an acre, finds that he has to mortgage his land, what is the man going to do who has to pay $20 an acre?—A. He is usually a man of considerable saving. A man who takes up a homestead has very little more than his ten dollars to start with, very often.

Q. Homesteads near railways are practically all gone now, and a new man coming in must purchase land unless he goes away back, and will have to pay $20 an acre, and he will find it very much more difficult. What is his position going to be?—A. If he purchases at $20 an acre, he has a long term in which to pay the $20 an acre, at perhaps a better rate than he can get from any loan company. Take the man who purchases from the Canadian Pacific Railway. He only pays 6 per cent on the money, and he has at least ten years to pay for it, and does not usually apply for a loan until he is forced to.

Q. Exactly. He starts out with $3,000 as compared with the other man's $10,000.—A. Yes.

Q. And an interest charge on $3,000?—A. Yes.

Q. It makes the position worse than that of the original homesteader.—A. He cannot get a loan at all until he has paid the vendor of the land 50 per cent or more of the purchase money.

Mr. HAMMELL: Do I understand you to say, Mr. Sales, that a man pays $20 an acre for virgin land on the Canadian Pacific?

Mr. SALES: Yes.

Mr. HAMMELL: Close to the railway?

Mr. SALES: If he is to go into Saskatchewan, and stay near the railroad, that is what he has to do, and $20 an acre would be low.

Mr. HAMMELL: Would he not have an advantage over the man who went back from the railway?

Mr. SALES: Yes, but many of our people on our best sections of the land, are now close to railways, where the land only cost them $10 an acre, and they still have to borrow money.

By the Acting Chairman:

Q. How were your dues paid up last year? Have you much in arrears. —A. Yes, we have a lot of arrears. We are labouring under a difficulty with our borrowers.

Q. Give us that for each year.—A. We made a return to the Legislature up to the 28th of February of this year. At that time we had owing to us for interest from the year 1918, $1,986.04. That was interest that had been carried over from 1918 and unpaid. From 1919 we still had owing to us $21,547.27.

Q. The first exhibit is the Act (No. 132).—A. Yes, that is the Act with all the amendments that have been made since. The original Act is shown in print, and it is brought right up to date. From 1920 there was owing to us $63,011.10, 1920 interest that had not been collected up to the 28th of February. From 1921, $143,576.23, and interest due on the 1st of November, 1922, $279,433.82, still unpaid on the 28th of February. The total interest that was in arrears on the 28th of February was $509,554.46, a very heavy item.

Q. Well, Mr. Fraser, can you give us the percentages of those compared in proportion with the whole amount due?—A. No, I cannot.

By Mr. Sales:

Q. Have you the total amounts due? Have you the amount due in 1918, for instance?—A. The amount that fell due then?

Q. Yes.—A. No, I have not that figure. But the report for the year 1918 would show the total of our assets. Our total assets at the end of 1918 were $1,758,366.77.

Q. But that is not getting at the point?—A. Our rate of interest was 6½ per cent.

Q. What was the total amount due in 1922—the amount of interest due?—A. That fell due?

Q. Yes.—A. I have not that. I have only the amount that was due up to the 28th of February. I have what was unpaid at the end of the year, too. I had very little time, I might explain, after getting the summons. The summons reached me when my board was in session, and I had to spend all that day, and the next day dealing with matters before the Board, and I had only one day to go over it.

Q. I suppose you would be willing to file this information?—A. Certainly.

Q. Will you also file those figures Mr. Sales has asked for?—A. Yes.

By Mr. Sales:

Q. To give us a proper bird's eye view of it, we should have the outstanding amounts in 1922 as well as the amount received; you give u the amount outstanding, but not the amount you received. The amount received and the amount outstanding would give us the amount that is due?—A. Yes.

Q. You have not got that with you?—A. No. I think my report will show. The report refers chiefly to the total amount loaned out during the year, and our total assets at the end of the year.

Mr. CALDWELL: He can send it to us.

By the Acting Chairman:

If the members will express what they want, no doubt Mr. Fraser will send it to us.

By Mr. Sales:

Q. What is your own view as to the amount outstanding, Mr. Fraser, and the way in which it is growing? You had $143,000 last year and you have $279,000 this year?—A. I think our collections this year have been better than they were last year. We have collected a larger percentage of our outstandings this year than last year, I mean 1922 as compared with 1921. In 1921 our collections were relatively very poor.

Q. But your amount was much larger?—A. Yes. We have had a year longer in which to collect. This is what is due for 1921 and 1922, at the end of February, 1923. The amount for 1922 has only been outstanding and overdue a few months, from the 1st of November.

Q. You added $136,000 this year; you have $279,000 this year?—A. Yes.

Q. You have added $136,000?—A. Yes. We have collected for 1921, actual money collected in 1922 of interest due in 1921, so much money. A man who was owing us 1921 interest owed us also 1922 interest, and when he made his payment it was credited to 1921, 1920, 1919, or whenever it was due.

Q. As a matter of fact, you have been a little more strenuous?—A. Yes. We went after them this year, and collected about as strenuously as we knew how.

By Mr. McKay:

Q. Do you always go after them?—A. We always go after them. We do not go after a man very hard on his first payment. We send him a notice, and if he fails to meet it the next year we go after him much more harshly.

By the Acting Chairman:

Q. How long do you let a man go without having an understanding with him?—A. A short time. If he has a payment due and he says he has no crop, we promptly give him an extension until the following fall. We usually ask for a crop statement from him. If we know that there has been no crop in his district, we do not ask for a crop statement, but if he is in a district where the crop has been very fair, we ask for a crop statement from him.

By Mr. Caldwell:

Q. You investigate that, do you?—A. Yes, we investigate.

By Mr. Sales:

Q. Have you had to consolidate?—A. No. We have sometimes increased a man's loan. A man who has had a loan from us and who wants to build a house or a barn, we increase his loan, but we never consolidate. We have never consolidated any arrears with principal. We do not do that. We increase a man's loan if his security warrants it, and he wants it for a particular purpose that comes within the Act. We have done that in many cases. We have sometimes increased a man's loan on three occasions, and sometimes twice. We have sometimes given a man a larger loan, sometimes he gives us additional security and gives us a new loan.

By Hon. Mr. Tolmie:

Q. But not if his interest is behind?—A. Not if his interest is behind. We would not increase his loan on the security we have already, if his interest is in arrear.

By Mr. Caldwell:

Q. Have you advanced much to pay taxes on farms?—A. Yes, we have paid out quite a bit in taxes.

Q. In which year?—A. In the year 1921. In March, 1921, the Provincial Treasurer notified us that he could advance us some more money, that he had some more money available, and could keep us going a while, and the Board decided that as 1921 had been a bad year—this was in March of 1922—we decided that we would rather clean up the taxes for all our borrowers who had not been able to pay their taxes rather than to make a few additional loans. We sent to the Secretary-Treasurer of every municipality a list of the lands in that municipality mortgaged to the Board, and we paid up everyone of them.

Q. Did you ask for the tax bills?—A. We asked for the tax bills. There is usually a penalty of eight per cent added to taxes on the first day of January in each year. The Legislature had authorized the municipalities to extend that time for the 1921 taxes to the first of May, and all those municipalities who would accept payment if paid before the 1st of May without that penalty were paid those taxes, but we refused to pay taxes where they exacted the penalty, because we charged our borrowers 6½ per cent from the time we advanced the money, so we would not pay it.

Q. What was that amount, how much did you pay out?—A. We paid out in the year 1922 $294,414.73 for taxes.

Q. On how many farms?—A. I have not got the number, but a very large number of farms.

Q. Have you made any advances to pay insurance?—A. Yes. We advanced money to protect our security there, for fire insurance purposes, on the buildings only, and for seed grain, for hail insurance premiums and for taxes. In the earlier years we called those all mortgage charges. We did not separate them, but afterwards we separated them, and we have the charges for seed grain and hail premiums separately. In 1922 we paid out $31,000. The amount outstanding at the end of 1922 for taxes was $294,414.73.

Q. You have given us the amount of taxes you paid in 1920. How much did you pay in 1921?—A. That was 1922. In 1921 we paid $16,434.43.

Q. That would be for the previous year's taxes?—A. Those were largely 1921 taxes. We had a little money available at the end of the year and we paid in one or two municipalities all the taxes that were against land mortgaged to the Board. We paid out a good deal in December, 1921.

By Mr. Sales:

Q. $31,000 for insurance?—A. $31,876 was what was standing under the heading of mortgage charges, which was mainly fire insurance premiums, but it may have included some of the other items for the earlier years before we separated them.

Q. How much for seed grain?—A. In 1922, $9,214.93; in 1921, $36,959.77; in 1920, which was our heavy year, $95,931.30, for seed grain.

By Mr. Caldwell:

Q. Were those advances made to the men on whose farms you had mortgages?—A. Only to our own borrowers. We would not advance to others. We

would not advance to our own borrowers except for use in connection with the land mortgaged to the Board.

Q. When you made the loans to the borrowers, you considered they were good risks?—A. Yes.

Q. You turned down many whom you did not think were good?—A. We left in abeyance, many for whom we did not have funds.

By the Acting Chairman:

Q. What number were those, whom you left in abeyance?—A. There are not many standing now that were good risks, but there were quite a number we inspected that were probably good risks, at the time we were asked to stop lending, not to accept any more business, for lack of funds.

Q. How long is it since you were asked to stop lending?—A. Two and one half years, but we were authorized to make advances periodically since that.

Q. Towards new loans, or towards assisting in the old loans?—A. The provincial treasurer would tell us that he could authorize us lending a certain amount of money. From December, 1920, until March, 1922, we were practically at a standstill so far as new loans were concerned. In February or March of 1922 we were told we could go ahead loaning about $100,000 a month. $300,000 took care of taxes, and we did not do any lending for some time after that.

By Mr. Sales:

Q. What was your largest loan?—A. Our largest loan?

Q. Yes.—A. I have not that here. We have no limit.

Q. The point I am trying to get at is that you have not loaned to any of these men who are farming large areas?—A. Yes, we have, although we did not at all after the war. We have loaned to some of these. I think likely we have loaned $20,000 to one individual. We have had applications for larger loans.

Q. I was figuring up the tax of $294,414 with 3,850 borrowers. That would average nearly $80 for each borrower for taxes alone?—A. Yes.

Q. How do you explain this, because we had a pretty good crop in the west. It was a fairly large crop?—A. That was 1922 you mean?

Q. Yes.—A. We had a good crop in 1922.

Q. How do you account for these men being so far behind in their taxes, nearly $300,000?—A. The taxes are almost the last thing that a great number of farmers will pay; almost the last thing they will pay; and they do not pay that, and the Board are next to the last, if they are allowed.

Q. I was coming to that after a while. That is a point that interests Mr. McMaster very much. Still you say you are putting it down—they must be paying somebody else.—A. They must pay the thresher. In the 1921 crop we had reports from farmers, sending in their crop statements showing that the threshing cost more than the whole of the crop of the year 1921. Those men could not pay taxes or anything else.

By the Acting Chairman:

Q. It cost more than the crop was worth?—A. It cost more than the crop was worth. One farmer told me that when he sold his crop he was $200 short of paying his threshing. That was in 1921. Threshing was abnormally high, and the threshing, by legislation, is made the first lien on the crop.

By Mr. Sales:

Q. Would that be in rust areas?—A. The one I had in mind was from the southeastern corner of the province, where they had grasshoppers and I

think rust, and the damage from grasshoppers was quite considerable and a lot of their crop had to be threshed by the hour, and the returns were poor.

By Hon. Mr. Motherwell:

Q. Was that in 1921?—A. That was the 1921 crop.

Q. It was badly rusted there?—A. Yes.

By Mr. McKay:

Q. Are these threshers private concerns?—A. All private concerns.

Q. That would be a good place for co-operation among the farmers, putting in their own threshing machines.—A. Yes, there would be a chance for that, but they are all farmers who own these threshers. They are about the hardest on the farmer. The thresher and the hired man, I think, are the two worst enemies the farmers have in Saskatchewan.

By Mr. Sales:

Q. I have heard it said by the loan companies that the man they look upon as the greatest risk was the man who owned a threshing machine and a stud horse?—A. Yes. Twenty years ago and thirty years ago—thirty years ago we would not lend to a man who had a threshing machine or a stud horse, and we would not loan to the man with a stud horse to-day, but I do not think there is the same objection now to a man with a threshing outfit on the part of the loan companies. A great many farmers have their own threshing outfit.

Q. Even then, when they owned a threshing machine it would cost a tremendous amount of money to do the threshing, even owning their own machine?—A. Yes.

Mr. Munro: It is rather an anomalous position that the threshing was not considered as a good profession, yet the farmer bought his own machine.

Mr. Sales: We bought them largely because we had to wait. In 1911 I absolutely refused to buy a threshing machine. As a consequence my crop was snowed under and I had to buy one. But that is the reason, Mr. Munro, that there is such a short time between taking it off and the time the snow comes on. You have to get busy at it. If you sit waiting for a big machine, you will run the risk of losing the whole thing.

Witness: And really the cost of the threshing comes back to the labour question too. The thresher has to hire ordinary labourers and pay them $7 a day, in the Fall; but because of his lien on the crop, of course he must do the threshing but he is protected and he will pay these men whatever wages he has to pay.

By Mr. Munro:

Q. What would happen if a farmer owed a thresher $200 and had not the money to pay for it, would the thresher have a further lien on the farm?—A. No, he would not have a lien on the farm. He has a lien on that crop, for that year only. If after the crop is sold there is $200 that the farmer is still owing the thresher, and if the farmer is not worth the money, the thresher would be out that $200.

By Mr. Caldwell:

Q. But if he is worth it outside of the crop, then the thresher can collect it?—A. Yes, in the case I have in mind, I have no doubt he did collect it, but not until the following fall.

By Mr. Sales:

Q. With regard to outstanding taxes, it is not the fact that the farmer was keeping that money in his pocket and refusing to pay?—A. Oh no.

Q. Simply that he did not have enough?—A. Simply that he did not have enough money to go round.

By Mr. Caldwell:

Q. I think there may be a wrong impression about the thresher. The thresher is not making much money.—A. No, his difficulty is with the hired labour we get in the Fall. That hired labour puts the thresher in bad. It affects the farmer both ways. Whether the farmer hires him or the thresher, it is the farmer who has to pay for it in the long run, and the wages that they can command, they come up there and our season is short and they will just demand the very highest, it has no relation to their worth at all.

Q. It is outside labour coming in for the harvest season.—A. Yes.

By Mr. Milne:

Q. Then there is another thing; the extremely high cost of the threshing outfit?—A. Yes.

By Mr. Caldwell:

Q. And the very short season it is in use?—A. Yes.

By Hon. Mr. Motherwell:

Q. Mr. Fraser, do you think your Board gets as large a proportion of its instalments and interest paid each year as the ordinary mortgage company?—A. No, it does not. That is the first year.

Q. To what do you attribute that tendency?—A. In the first place our borrower knows it is Government money that he has, and he feels that he is not going to be put out of business if he does not make the payment. With a loan company he looks for harsher treatment than he does from us; he thinks that he has got to meet his payments to them.

Q. Would you consider that an inherent weakness or strength in your system?—A. It is an inherent weakness. It is one thing we have to combat.

By Mr. Munro:

Q. Would that be further accentuated if the loan were from the Dominion Government instead of the Provincial?—A. It might be.

By Mr. Sales:

Q. I would like you to enlarge on this a little more definitely. We have a big crop and it sells for a fair price, and yet the farmer has not money enough to pay his taxes, let alone his loans. To what do you attribute that?—A. He has other debts accumulated. This is the first year; the preceding crop had brought in nothing, he had gone behind in that year, and what he had gone behind had to be met out of this crop.

Q. 1921 was not a very small crop?—A. It was a pretty fair crop but a very large proportion of it went to pay for the threshing and so on.

Q. Would you agree with this, that the high cost of everything the farmer has to buy has maintained its level, it has not come down, and consequently when he reaches the end of the year he finds he cannot make ends meet?—A. That is quite true, yes; the cost of everything the farmer has to buy has not at all come down as the stuff he has to sell; nothing like it.

Q. And if it was down to pre-war prices, about the same as the price of the commodities he grows, he would have no difficulty?—A. There would be a very marked difference in the position of the farmers, yes.

By Mr. Milne:

Q. You have been in business for five years. Is the farmer still looking on the Government in the same light as he did?—A. Oh no, it is the first year's

instalment that we have to carry over, very generally. The second year, we bring it to his attention very forcibly that our claim must be met. He disregards us the first year very generally. That is not true of every farmer, but a very large proportion of them, the first word we get from them after we have notified them of our claim is, that their money is all gone, they have paid it out to others. The difficulty under which we labour is that our rate is lower than anyone else charges and they prefer to pay off say the 9, 10 or 12 per cent claims and let the 6½ per cent stand.

Q. The point is this, that the farmer looks on the Government loan now more as a business proposition, than he did in the earlier years or does he still look on it in the light of it being easy money?—A. After the second year he looks upon it as a claim that has to be met just the same as any other.

Q. Then that would not really affect you to-day then?—A. It only affects us to-day for the men who have got loans recently. It takes time to educate each borrower up to the point where he knows that this claims must be met the same as any other claim.

Q. You have reached that stage now, you have them fairly well educated to the fact that it is a purely business proposition?—A. Yes, we have a lot of them educated to the fact that it is a purely business proposition and that we must have our claims paid.

By Mr. Caldwell:

Q. You said the borrowers prefer to pay off those debts on which they are paying 9 and 10 per cent, and did you say 12 per cent?—A. Yes, 12 per cent. They pay that on some implement accounts and for horses. Overdue implement notes to implement companies and I think perhaps horse notes too.

Q. Would those range as high as 12 per cent do you think, for implements?—A. They have been. I don't know whether they are this last season, but they have been 12 per cent in the past for some implement concerns.

Q. Any others as high as that?—A. I think some horse notes were as high as 12 per cent.

Q. From whom were these horses bought?—A. Horse dealers bringing horses from Ontario and elsewhere.

By Mr. Sales:

Q. What do they pay for store bills?—A. I don't know that store bills are as high as 12. I fancy ten per cent is the common rate.

Q. I know of storekeepers charging 1 per cent per month.—A. Well it may be that too. I have not had many of the store bills brought to my attention. It is quite likely that that is the case.

Q. What would 1 per cent per month compounded in that way amount to in a year? You are an actuary?—A. No, I am not an actuary, but I would say at a guess it would run pretty close to 13 per cent.

Q. Not more.—A. I don't think it would go more than that. It might, but just at a guess. It would not be difficult to compute at all. I could compute it but I would need a little time.

By Mr. McKay:

Q. You have had considerable experience in your own Province regarding these agricultural credits?—A. Yes.

Q. What is your personal opinion as to the solvency of the scheme as regards your own Province?—A. I have every confidence in its absolute solvency. I have not any doubt at all about that. Oh no. Although the rate of interest is higher in Saskatchewan than it is in Ontario or in Manitoba, I think the Province of Saskatchewan is just as good a Province to lend in as either of the others, and that our rate of interest should be down to a lower rate.

Q. And do you think you are able to raise money enough in your own Province to meet all the demands?—No, we are not. That is our difficulty, that we cannot raise half of it.

Q. Why is that?—A. We are raising it in our own Province so far. We are only offering our bonds for sale in our own Province, but our own Province has not had much of a surplus. That is the surplus they had in the earlier years, in 1917, I think our farmers contributed something like 17 millions to the Victory Bond issue of that year, and altogether the Province must have contributed something like forty or fifty millions.

Q. Your demands are more than you can meet?—A. Far more.

Q. How do you expect to meet those demands, which may increase?—A. We can only look to meet them when money becomes more plentiful, so that the Provincial Treasury can secure money at a rate that we can lend.

By Mr. Hammell:

Q. Are we to infer that the surplus cash of the moneyed people of your Province was largely tied up in Victory bonds?—A. It was, yes.

By Mr. Caldwell:

Q. Non-taxable Victory bonds, which were very attractive?—A. Very attractive.

Mr. Sales: That is what we have been living on for the last three years.

Mr. Caldwell: You said the tendency was for the borrower not to pay the Government the first year?

The Witness: Yes.

By Mr. Caldwell:

Q. I would like to put a hypothetical case to you. Supposing you had been charging the mortgages 12 per cent and the implement company six per cent, which would they pay first?—A. I think they would pay the high rate first.

Q. So it was the fact that they wished to pay the high rate first, and not that it was a Government that was the creditor—A. There is the difference though, that if our rate were 12 and they were owing a loan company whose rate was 12, they would pay the loan company in preference to paying us.

Q. That is not a fair comparison. Reverse the position exactly.—A. They would pay the loan company; they know the loan companies; they have had experience with them for 25 years, and they know they must be paid, and the loan companies do get their money in better than we do.

Q. You are getting away from the point. Suppose a man had a loan from a loan company at six per cent, and a loan from you at 12, which would he pay first? Wouldn't he pay the 12 per cent loan?—A. No, he would pay the loan company still, because the loan company has taught them that they must be paid.

Q. They must have them awfully scared?—A. Yes, they have them scared, and I hope we will too. That is our purpose.

By Hon. Mr. Motherwell:

Q. How many Saskatchewan five per cent bonds did they sell this last year to place at your disposal for re-loaning? For the last 12 months? We had an intimation here that it was about three quarters of a million sold.—A. I think it was perhaps three quarters of a million sold. Something like that sold in 12 months.

Q. And all this was put at your disposal?—A. Yes, that was placed at our disposal.

Q. Then this last 12 months' experience leads you to hope that you will be able to sell more Provincial bonds and keep the pot boiling as it were?—A. Well, that is far too slow. As a matter of fact when this Board was established, we did affect the rate of interest to some extent; there were some loans made at 7 and 7½ per cent during that first season, but when the Provincial Treasurer was stopped in his campaign in the sale of bonds in the Fall of 1917, the loan companies realized that we were out of business, and that we were not going to have money to lend.

Q. Is it Mr. Dunning's idea to borrow from the well-to-do farmer, and then re-loan to the needy farmer?—A. Yes.

By Mr. Sales:

Q. But you sell to the city men as well?—A. Oh, yes, we can sell to anybody.

Q. Was there not a large number of this years' loan subscribed by the hail insurance?—A. Yes, a lot came from the surplus of the hail insurance.

By Hon. Mr. Motherwell:

Q. From whom did that come?—A. From the farmers of course.

By Mr. Gardiner:

Q. Supposing they were to have a heavy hail loss next year, isn't it possible that the Hail Board might draw from that?—A. Certainly, if they require it they will have it back.

By Hon. Mr. Motherwell:

Q. They will redeem their bonds in three months?—A. Yes.

By Mr. Hammell:

Q. What constitutes the Hail Insurance Association, are they farmers themselves?—A. Yes, they are farmers themselves.

By Mr. McKay:

Q. Have you deposit banks among farmers the same as they have in Ontario, banks specially for farmers to deposit in the same as they have in the Province of Ontario?—A. No.

By Mr. Sales:

Q. I think that is one thing that should engage your attention, the opening of a savings bank in Saskatchewan, so that the people in small towns, the children and so on, can be taught to save their money?—A. Of course we have nothing to do with the raising of funds; that is exclusively in the hands of the Provincial Treasurer.

Q. If you would recommend that scheme to the Provincial Treasurer I think you would perform a public service.

The Acting Chairman: We will hear Mr. Fraser further at four o'clock.

Mr. Grimmer: I have received word from some of the shippers in Carleton County, who believe that an injustice has been done to the shipping interest and to business by the evidence that has been submitted to this committee. I am sure that the committee wants all the facts in connection with the matter and I would move that Guy Porter of Perth, and Charles Gallagher of Bath, and Frank Smith of East Florenceville be summonded before the committee to give evidence; and also that Mr. F. W. Pirie be recalled, and let him bring with him his books and papers in connection with the sale of fertilizer to the farmers for the last two years. I think this is information the committee should have before them.

Mr. CALDWELL: Mr. Porter has been already summoned; he will be here on the 15th.

Mr. GRIMMER: Could you arrange to have these come up at the same time and clear the whole thing up?

Mr. CALDWELL: In this connection we have summoned Mr. Porter, Mr. Hatfield, Mr. McCane, Mr. Webb, and Mr. Esty, but if the committee want some more I can see no objection whatever. However, we have five men summoned.

Mr. SALES: Are they connected with this association?

Mr. CALDWELL: They are all members of the Canadian Exchange.

At the suggestion of the acting Chairman the consideration of Mr. Grimmer's motion was deferred.

The Committee adjourned until 4 p.m.

Afternoon Session

4 p.m.

The Special Committee appointed to inquire into agricultural conditions throughout Canada resumed at 4 p.m. Hon. Mr. Sinclair in the Chair.

Mr. FRASER recalled.

By the Acting Chairman:

Q. Will you continue your evidence, Mr. Fraser? Do you wish to continue further with your statement, or had you completed what you had to say?—A. I have here the particulars of the Board's activities. Is that what you want?

Q. Yes. Have you any yearly statement of the activities of the Board? —A. Yes, I have copies of the reports here for every year since we started.

Q. Your reports as manager?—A. No, it is the Board's report. Three members of the Board signed.

Q. This is the annual report of the Saskatchewan Farm Loan Board for the year ending December 31, 1922.

By Mr. McKay:

Q. How many reports have you?—A. One for each year—six reports.

By the Acting Chairman:

Q. Well, Mr. Fraser, you can file those with the Committee.—A. Yes.

Q. Do you wish to refer to them in your evidence?—A. Yes, it is just possible that I do.

EXHIBITS No's 133, 134, 135, 136, 137 and 138 Saskatchewan Farm Loan Board —Annual Reports for the years 1917-1922 filed by witness. (Not printed.)

Q. Have you any financial statement to the end of the year?—A. Yes, this is for the year 1922. I did not bring them for every year.

[Mr. Colin Fraser.]

EXHIBIT No. 139

The Saskatchewan Farm Loan Board

BALANCE SHEET AS AT DECEMBER 31ST, 1922

Liabilities		
Bank Overdraft (Union Bank)		$ 35,298 13
At credit of Suspense Account		1,770 27
Saskatchewan Farmers' Mutual Insurance Company		466 55
J. W. Blyth		203 68
Liability to Government of Saskatchewan		
Advances for Working Capital	$8,593,400 00	
Less repayments	825,596 52	
		7,767,803 48
Advances for Seed Grain	170,935 76	
Less repayments	105,330 17	
		65,605 59
Advances for Taxes	310,846 95	
Less repayments	151,407 18	
		159,439 77
Advances for Hail Insurance	74,524 67	
Less repayments	52,585 11	
		21,939 56
Advances for Foreclosed Loans	62,582 03	
Less repayments	1,913 30	
		60,668 73
Advances for Administration Expenses		161,000 00
Interest on Working Capital	1,245,589 35	
Less payments	914,511 69	
		331,077 66
Balance at Credit of Profit and Loss Account		146,890 27
		$8,752,163 69
Assets		
Cash on hand December 31st, 1922		676 80
Investments and Accruals		
First Mortgages on land	8,593,706 04	
Less repayments	825,596 52	
		7,768,109 52
Seed Grain Advances	171,088 86	
Less repayments	105,330 17	
		65,758 59
Taxes Advances	311,159 16	
Less repayments	151,407 18	
		159,751 98
Hail Insurance Advances	74,524 67	
Less repayments	52,585 11	
		21,939 56
Foreclosed Loans Advances	62,582 03	
Less repayments	1,913 30	
		60,668 73

APPENDIX No. 3

Interest on Loans Accrued to October 31st, 1922, due November 1st, 1922	$1,477,480 16	
Less repayments	914,511 69	
		$562,968 47
Interest on Loans accrued for November and December, 1922, not due till November, 1923		87,417 45
Mortgage Charges (Receivable)		13,939 56
Solicitors' Disbursements (Receivable)		1,403 53
Inspection Revenue (Receivable)		800 00
Equipment and Plant		
Office Furniture	7,767 88	
Less depreciation	388 38	
		7,379 50
Automobiles	2,306 00	
Less depreciation	1,106 00	
		1,200 00
Maps	203 00	
Less depreciation	53 00	
		150 00
		$8,752,163 69

REVENUE ACCOUNT FOR YEAR ENDING DECEMBER 31ST, 1922

Expenditures		
General Office Expenses		$ 35,585 05
Inspection Expenses		11,624 88
Solicitors' Expenses		5,964 33
Depreciation		
Furniture, 5 per cent	$ 388 38	
Maps	53 00	
Automobiles	1,106 00	
		1,547 38
Net Profit 1922 carried to Profit and Loss Account		70,691 71
		$ 125,413 35
Income		
Interest, excess of interest accrued receivable over interest accrued payable		115,243 99
Commissions		10,169 36
		$ 125,413 35

Profit and Loss Account

YEAR ENDING DECEMBER 31ST, 1922

Inspection Revenue, balance of 1921 assets unrealized written off.	$ 377 50
To Balance carried to 1922	146,890 27
	$ 147,267 77
By Balance from 1921	76,576 06
By Balance from Revenue brought down	70,691 71
	$ 147,267 77

EXHIBIT No. 140

—	1917	1918	1919	1920	1921	1922	Total
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Principal	211,567 85	1,546,798 92	2,000,781 70	2,372,957 76	2,100,479 45	361,120 36	8,593,706 04
Mortgage charges	2 00	122 77	3,915 54	7,967 23	14,144 73	31,876 34	58,028 61
Seed grain			29,782 76	95,131 30	36,959 77	9,214 93	171,088 76
Hail premiums				1,103 80	28,794 39	44,626 48	74,524 67
Taxes				310 00	16,434 43	294,414 73	311,159 16
	211,569 85	1,546,921 69	2,034,480 00	2,477,470 09	2,196,812 77	741,252 84	9,208,507 24
Less Repayments—							
Principal						825,596 52	
Mortgage charges						44,089 05	
Seed grain						105,330 17	
Hail premiums						52,585 11	
Taxes						151,407 18	1,179,008 03
Balance outstanding as of December 31, 1922							8,029,499 21

Principal not yet due	$7,637,012 48
Principal overdue	131,097 04
Mortgage charges overdue—Mainly fire insurance premiums	13,939 56
Seed grain overdue	65,758 59
Hail premiums overdue	21,939 56
Taxes overdue	159,751 98
	$8,029,499 21

SUMMARY

—	Principal	Mortgage charges	Seed grain	Hail insurance	Taxes		Total
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Advances to Dec. 31, 1922	8,593,706 04	58,028 61	171,088 76	74,524 67	311,159 16		9,208,507 24
Advances since Dec. 31, 1922	227,907 24	15,539 50	7,524 09		169,522 73		420,493 56
	8,821,613 28	73,568 11	178,612 85	74,524 67	480 681 89		9,629,000 80
						Total	
Repayments to Dec 31, 1922	825,596 52	44,089 05	105,330 17	52,585 11	151,407 18	1,179,008 03	
Repayments since Dec. 31, 1922	101,777 13	10,342 10	14,925 89	10,510 36	61,053 02	198,608 50	1,377,616 53
	927,373 65	54,431 15	120,256 06	63,095 47	212,460 20	1,377,616 53	8,251,384 27

SUMMARY OF OUTSTANDINGS AT APRIL 30, 1923

Principal not yet due	$ 7,778,084 71
Principal overdue	116,154 92
Mortgage charges overdue—Mainly fire insurance premiums	19,136 96
Seed grain overdue	50,832 70
Seed grain not yet due	7,524 09
Hail insurance overdue	11,429 20
Taxes overdue	268,221 69
	$8,251,384 27

APPENDIX No. 3

EXHIBIT No. 141

The total amount due to the Saskatchewan Farm Loan Board for interest, as of 28th February, 1923, is $509,554.46, and the years for which the interest remains unpaid are as follows:—

1918	$ 1,986 04
1919	21,547 27
1920	63,011 10
1921	143,576 23
1922	279,433 82
Total	$ 509,554 46

EXHIBIT No. 142

Foreclosures taken to December 31, 1922—by transfer	3
Foreclosures taken to December 31, 1922—by proceedings	16
Foreclosures taken since December 31, 1922—by proceedings	8
Foreclosures taken since December 31, 1922—by transfer	1
Total at April 30, 1923	28

Five parcels have since been sold, leaving 23 parcels in the name of the Board at 30th of April, 1923. These 23 parcels contain 33 quarter sections.

Forty-seven loans in solicitor's hands for foreclosure or transfer, covering 73 quarter sections.

Fifty new loans closed since January 1, 1923.

By the Acting Chairman:

Q. This is the balance sheet as at December 31, 1922. Will I go over this sheet, gentlemen, or shall I question the witness as we go along? Perhaps you will take this and explain it yourself, Mr. Fraser. I think a detailed explanation of that statement will give the Committee information that we are anxious to get, and then we will file it.—A. This is our annual report, our financial statement, for the last year ending 31st December last, 1922. At that time our liabilities were as follows: We had an overdraft at the Union Bank of $25,298.13, that is, we had drawn on the Provinial Treasurer for that much less than we had paid out. These cheques were outstanding. Our cheques go out and were not presented, I suppose, but the auditor takes account of every cheque that is issued, even if not paid, and it is charged up.

Q. You issued the cheques and the Government had not paid up the money?—A. The cheques were issued, but actually they had not been presented at the Bank at this time. The amount at that time was $35,298 13. We had a credit of Suspense Account,—where buildings are burnt, and the fire insurance is paid to the Board that money is placed in Suspense Account until we learn whether the man is to rebuild, or wishes the money credited to the principal, but generally of course he rebuilds. We do not credit it to the mortgage acount. If we did, we could not pay it out to him again, so we hold that in Suspense Account, $1,770.27.

By Mr. Sales:

Q. Do you accept Mutual Insurance policies?—A. Yes, the Saskatchewan Mutual, the Mennonite Mutual.

Q. Do you accept the Mennonite Mutual?—A. There is one Mennonite Mutual that is formed according to the laws of Saskatchewan. We accept their policies. We accept the policies of any company that has a license to do business in Saskatchewan.

Q. Which ones are they?—A. I think there are several that we do not accept. I do not know the names of them myself, that is, the different Mennonite Mutuals. There is one, for instance, the Mennonite Mutual of Nebraska. We refused that. They had no license to do business in Saskatchewan. I do not remember the name of the particular one that does have a license. Then, we have the Saskatchewan Farmers' Mutual Insurance Company. We owe them $466.55. That was for premiums on policies that they had issued, but their bill was presented perhaps just after the New Year, and there was a liability to our solicitors of $203.68. Our liabilities to the Government of Saskatchewan - advances for working capital, $8,593,400. We had repaid of that amount, $825,596.52, leaving the balance owing to the Government at that time for principal, $7,767,803.48. We had advances for seed grain, $170,000, that is, we had borrowed from the Government, $170,935.76. We had repaid the Government of that amount, $105,330.17, leaving a balance owing to the Government for seed grain, of $65,605.59. We have advances for taxes $310,846.95, and we had repaid $151,407.18, and we are still owing the Government, $159,439.77. We had advances for Hail Insurance premium, $74,524.67, and we had repaid the Government, $52,585.11, leaving a balance still owing to the Government of $21,939.56.

By Mr. Sales:

Q. At what time do these insurance premiums have to be paid?—A. Usually, we pay them at the end of two weeks. They give us a list of them. There is perhaps one company that is every week, and two other companies every two weeks, and we pay them as soon as they present their statements.

Q. It is in the fall of the year?—A. No, we pay them in June and July.

Q. These farmers insure with other companies than the Mutual?—A. Yes, those who wish to insure with outside companies. The Board advances the premiums so as to get cash rate of insurance.

Q. And in order to protect yourselves?—A. Yes, although it is not payable to ourselves, but it protects our borrower, and he is able to protect us if there should be hail. If the loss comes to us, we deduct only what is owing to us, and the rest goes to him. Then, for advances for foreclosed loans, we have foreclosed loans to the extent of $62,582.03. Then we have made returns to the Provincial Government of $1,913.30, returns from crops grown on land, leaving a balance owing to the Government of $60,668.73. The advances from the Government for administration expenses, that is, from the beginning—from the time the Board started, to the end of last December, $161,000. We owe the Government as total interest on working capital, $1,245,589.35, and we repaid of that amount, 914,511.69, so that we are owing, $331,077.66, of interest unpaid. Balance at credit of Profit and Loss Account, $146,890.27. That makes a total of $8,752,163.69. That is practically all owing to the Government. There is included in that our surplus of $146,890.27.

By the Acting Chairman:

Q. Those are your total liabilities?—A. Yes. Our assets are, cash in hand, $6,760.80; Investments, first mortgages on land, $8,593,706.04, less repayments,

$825,596.52, leaving a balance actually on hand still owing to the Board of $7,768,109.52. Seed grain advances, $171,088.86 repaid of that amount, $105,330.17, leaving a balance still owing of, $65,758.59. This of course is secured by our mortgages on the land.

By Mr. Hammell:

Q. Those advances were all made last year?—A. No, from the beginning.

By Mr. Caldwell:

Q. Covering how many years?—A. In the matter of the seed grain, for the principal, of course, it is six years, but for the matter of seed grain, our first seed grain was advanced in the year 1919, $29,000; in 1920, we advanced $95,000 odd; in 1921 we advanced $36,000 odd, and in 1922, $9,000 odd. It was much smaller in 1922.

By the Acting Chairman:

Q. Can you tell us how much you got back of that advance of 1919? Has that all been paid back, or is some of that yet outstanding? A. No, I have not anything to show whether that has all been repaid or not. I have only the interest. That is what is called for by our return that was made last February. We had to compute that, but we were not asked to compute for the seed grain.

By Mr. Sales:

Q. What districts would that be? –A. It is very well scattered. Of course there is more of it in the Western half of the Province, that is, in the districts that had poor crops, that suffered from drought, that is taking the south-western corner and north of the Saskatchewan river, there is quite a belt there that had very poor crops. In fact, the western tier of perhaps half a dozen ranges from the Western boundary—right clean from the boundary north to the river, was pretty poor crop.

Q. In 1920 the farmers received $2.63 a bushel, so that in spite of those high prices it appears there was somebody that had to be assisted with seed grain.—A. Yes, that high price hit him instead of helped him. If a man had no crop, he had to buy seed at high prices.

Q. The impression was that the farmers were all pretty well fixed?—A. No, they were not. There were a number of them who did not have a crop, and the $29,000 that we advanced at that time would represent less than half the number of farmers. It did not represent a very large number of bushels relatively. We advanced $171,088.86, and we have had it all repaid except $65,758.59, as on the 31st of December, for seed grain. Then, we have been collecting since that time, of course. We had repaid, or we have had repayments since the 31st of December, amounting to $14,925.89, of seed grain from the 31st of December to the end of February.

Q. What is the difficulty about collecting seed grain advances?—A. The difficulty is, in many cases, that there is another crop failure, and that the man's crop may not be sufficient to do any more than prepare him, pay his time, and threshing, and keep his seed for the next year.

Q. You follow the usual course of a mortgage company—close that man out?—A. No, I do not think that is the usual course of a mortgage company. I do not think any mortgage company closes a man out who has no crop. It is the man who has a good crop and disregards the mortgage company, that gets into trouble, and he will get into trouble with us, but not to the extent of foreclosing him. We take possession and put him under lease for the following year, so that a share of the crop will belong to the Board.

Q. Have you a clause in your mortgage which allows you to do that?—A. Yes.

Q. That is, you can take physical possession when he gets into arrears? —A. Yes.

Q. And he becomes a tenant?—A. Yes.

Q. That is the usual clause in a Saskatchewan mortgage?—A. Yes.

By Mr. Gardiner:

Q. Under that clause, when a farmer becomes a tenant, does he lose his rights with regard to retaining so much stock? —A. Oh, no, it does not affect his exemptions at all, excepting that it is simply a share of the crop. If we lease to him for one-third, the one-third share belongs to the Board. It does not affect his stock or implements.

Q. Is it not a fact that land only is exempt from seizure?—A. He is still the owner. We do not dispute his ownership of the land at all. It does not affect his ownership of the land in the slightest.

Hail insurance advances $74,524.67. Of that amount there was repaid $52,585.11, leaving a balance of $21,939.56. Up to the end of the year we have collected, or rather from December 31st to the end of February, $10,510.36, that actually the hail insurance now owing to the Board is less than $10,000.

Advances for foreclosed loans $62,582.03, less repayments of $1,913.30, leaving a balance of $60,668.73. That is what we carry the land at that we have.

Interest on loans accrued to October 31st, 1922, due November 1st, 1922, $1,477,480.16, less repayments of $914,511.69, leaving a balance of $562,968.47 as of the 31st of December. That item has been changed since that time by about $53,000, which was collected during January and February. Interest on loans accrued for November and December, 1922, not due till November, 1923, $87,417.45. Our interest is charged up to the 1st of November; that is when it falls due. To complete our financial statement as of December 31st, we compute the interest to December 31st. That amount of $87,417.45 is interest that is not due and not collectable until next November.

Mortgage charges, receivable, mainly fire insurance premiums $13,939.56; solicitors' disbursements, receivable, $1,403.53; inspection revenue, receivable, $800. Equipment and plant, office furniture $7,767.88, less depreciation $388.38, leaving $7,379.50; automobiles, of which we have three, $2,306.00, less depreciation—we wrote off $1,106.00—leaving $1,200.00 that we are carrying the three automobiles at. Maps of the Province, giving the name of the owner of every quarter section in any portion of the Province. These maps are rather expensive. I suppose they cost us over $300 originally. Occasionally an application comes in from a man who gives his wrong township, section or range, and we check him up on one of our maps. If we do not find his name, we ask him if he has not sent us either the wrong range or the wrong section. We do that before we send a man out. These maps we carry at $203, less depreciation $53,- or $150 net.

I come now to our expenditures:

General Office Expenses		$35,585.05
Inspection Expenses		11,624.88
Solicitors' Expenses		5,964.33
Depreciation:		
Furniture 5 per cent	$ 388.38	
Maps	53.00	
Automobiles	1,106.00	
		1,547.38
Net Profit 1922 carried to Profit and Loss Account		70,691.71
		$125,413.35

By Mr. Caldwell:

Q. That was the total profit for the year?—A. That was the total profit for the year 1922. In the first year's operations we went behind to the extent of more than $13,000. We had all our expenses to incur and we did not make a loan until about the middle of September, 1917, so that at the end of December we had earned very little in the way of interest, and had gone behind $13,000. The next year, 1918, we went behind still further. In 1919 we wiped out some of it, in 1920 we wiped out the balance, in 1921 we had a surplus, and in 1922 we had a surplus of over $70,000.

Q. What is your net surplus for the whole period?—A. $146,000.

Q. The tendency seems to be that the longer you go on the more profitable it becomes, and as your business increases it does not take such an expenditure for overhead?—A. No. It was estimated by the Provincial Treasurer in the first place that we would not be on a paying basis until we had about $5,000,000 loaned out. We were on a paying basis before that, but not much before that. Since then the larger the amount loaned the proportion is not nearly so great. I will finish my statement. Interest, excess of interest, excess of interest accrued receivable over interest accrued payable $115,243.99. We earned that much more interest than we would pay to the Provincial Treasurer. We also earned through commissions on fire insurance and hail insurance premiums $10,169.36, making a total of $125,413.35.

Q. Are there any sections in Saskatchewan where you do not make loans?—A. No.

Q. You make loans in all sections?—A. Yes.

Q. We had a witness here on April 30, a Mr. Charles M. Bowman, of the Mutual Insurance Company. Mr. Bowman said there were certain sections in Saskatchewan where they did not make loans. Mr. Bowman said at page 1140 of these proceedings:

> "During the last two years over 50 per cent of the loan applications which have come to our local offices in the West have been declined by our local Western managers, and have never been sent to our head office. In the Province of Manitoba, take in the southwestern portion, where our experience has been a poor one, we have stopped lending. Take southeastern Saskatchewan, we have stopped lending, and then in the extreme southwestern portion of Saskatchewan, west of Estevan, we do not loan there. We are not lending as freely as a few years ago. In Alberta we have a line starting at Township 34. We start about Didsbury, right up through to north of Edmonton, and then come east a certain distance and then we stop. We have drawn a line around a certain district in Alberta that we loan in."

That would indicate that there was quite a section of Alberta, Saskatchewan and Manitoba where they refuse to loan at the present time?—A. There is no loan company that loans in every part of the Province. The Canada Permanent, the Credit Foncier lend pretty generally.

Q. "Take southeastern Saskatchewan, we have stopped lending." What was the reason for that?—A. The reason was that in southeastern Saskatchewan they had a tremendous amount of money out there, the Mutual Life, and they had dry years covering a period of about three years, and then they had grasshoppers, perhaps in one of those dry years, and then they had rust. This year they had a very good crop, and if they have another good year they will start lending again, perhaps.

Q. In your statement you said that in the southwestern corner of Saskatchewan they were very unsuccessful?—A. Yes, they have been.

Q. It would seem that a very large proportion of that Province is unsuccessful?—A. The southestern part was not unsuccessful this year. That part he speaks of had a very good crop this year. It has been hit by grasshoppers, when they did have good crops. They had grasshoppers pretty badly two years, then two dry years, and that will frighten almost any loan company. The old-timer is not frightened by four bad years.

Q. The old-timer was certainly very optimistic.—A. In some localities he speaks of they had poor crops in 1890, 1891, 1892, 1893, 1894, and in 1895 they had a whale of a crop, and for several years afterwards. It is as well tilled a portion as any. In that section they have a very good district, but they were hit about four or five years ago with two dry years, then they were hit by grasshoppers. The grasshoppers are checked now, and I do not think there are any other lending institutions that have stopped lending there. I know we have not stopped lending there, and this last year has justified it.

Q. Your statement looks pretty good, due to the fact that you are lending where the regular loan companies have refused to lend. You have not made a failure?—A. There is not one loan company that has covered the territory we have covered.

Q. It looks to me as if you had been covering the land that is the least profitable to the other companies, and still your showing is pretty good.—A. There is no question about the Province being a good lending field.

Q. But there is the fact that you have made a success in large portions where the loan companies have refused to loan, according to Mr. Bowman's own statement?—A. That is true. I do not know that there are many others that have refused to loan there. The Mutual Life were heavily interested, and became frightened by the lean years. They will resume again I think within a year or so. They are just temporarily frightened.

Q. You will carry on over the lean years, and they will then come back?—A. Perhaps so.

Q. That is where you are going to shine?—A. We hope so.

By the Chairman:

Q. There is one thing you have done, you have lowered the rate of interest?—A. We have lowered the rate to those who have borrowed from ourselves. But we have not funds enough. For a year and a half we have not had money.

By Mr. Caldwell:

Q. Does the fact that you have not the funds account for the fact that you have not affected the rate of interest?—A. No. We did in the first six months we were in operation. They began to loan at the Soo line at 7 and 7½, but in the fall of 1917 they realized that we could not go into the market for money.

Q. You were a little afraid?—A. We were.

By the Acting Chairman:

Q. If you went outside of your own province to sell your bonds, you would get the money?—A. I don't know that we could get the money on the right terms. It would not be very advantageous to go outside. Our bonds are sold to bear interest at 5 per cent, payable half-yearly, and those bonds are redeemable at any time on ninety days' notice. The Provincial Treasurer must be a little cautious about placing those bonds. I do not think it would be wise for him to go out.

Q. Do you restrict a man who buys your bonds from selling them outside the province?—A. No, sir. We have not offered a bond outside. The pro-

vincial treasurer has not, but I am not consulted as to his reasons for it. I can say that it would not be wise to sell bonds except where they would be likely to remain out. The bonds taken last year by the Hail Insurance Commission, if they are hit next year by a bad year, will have to be redeemed if called upon.

By Mr. Gardiner:

Q. How much did the Hail Insurance Commission place in bonds?—A. I think perhaps $200,000. They did not come to us. I do not recall now the statement, but I saw it when it appeared. It might have been more than $200,000. I do not think it was less than that. Would you know, Mr. Sales?

Mr. SALES: I think it was $300,000.

WITNESS: Possibly it was $300,000. A sale of bonds goes to the farmers generally. During the last twelve months they did not have very much to spare for that purpose. Those who could spare anything did not sell their wheat until April or May. It was that one item that helped very materially to make up the three-quarters of a million.

By Mr. Sales:

Q. You would hardly expect the farmers to put their money in at 5 per cent?—A. Yes, I would.

Q. When they can loan to their neighbours at 8 per cent?—A. If they lend it at 8 per cent, perhaps they will not be able to collect it.

Q. At three months' notice they can get their money back?—A. Yes.

Q. They have it in a double capacity?—A. Yes.

Q. It is like a savings bank?—A. Yes. I have known farmers, and farmers have told me themselves that they have their money invested in these bonds, and although they were paying 8 per cent on their borrowings, they were not going to sell those bonds.

By Mr. Caldwell:

Q. Is it a patriotic matter with them?—A. No, it is a reserve for contingencies.

By Hon. Mr. Motherwell:

Q. Well, Mr. Fraser, they had to compete with the Federal Victory Bonds. Is that not the reason they are harder to sell, the interest is a little too low, especially since the loan companies have advanced their rate of interest since your started business?—A. Yes.

Q. Have you thought of the advisability of your Government raising the rate of interest to enable you to give a little more interest on your bonds?—A. No. We would be rather opposed to that, because we think that before very long we can borrow at a lower rate, and that our first change will be downward instead of upward. We look forward to lowering the rate of interest below 6½ per cent.

Q. Especially if you do not sustain any ultimate losses to draw on that reserve?—A. Yes. We have made no losses on what we have sold. In every case we realized more than what we had against it.

Q. Is it a sentimental reason that induces many to buy these bonds, is it a sort of provincial pride with people, in buying their own bonds in order to re-loan to farmers who are not so fortunate?—A. A lot of them bought Victory bonds for patriotic reasons.

Q. But why should they buy them at 5, if there is no sentiment in it?—A. The difference is that ours is not subject to fluctuation at all. A man can always get his money. They can be redeemed at ninety days' notice.

Q. Redeemable at par at three months is what gives the bonds their value? —A. Yes. It is virtually a deposit at ninety days' notice.

By Mr. Caldwell:

Q. Your bond is more in the nature of a deposit receipt payable at three months' notice?—A. Yes. A man is getting 5 per cent, redeemable at three months' notice.

Q. Especially to the man with small savings. He may need it.—A. Yes, and the man who does not understand the ordinary bonds, that is, the up and down of bonds.

By Hon. Mr. Motherwell:

Q. He knows exactly what it is worth?—A. Yes.

Q. I guess that is worth one-half per cent?—A. He does not even have to wait ninety days. He can take it to the bank and the bank can loan him money for ninety days.

By Mr. Sales:

Q. I rather like the idea of the Ontario Government, with the savings bank in connection?—A. Yes.

By Mr. Gardiner:

Q. I notice in 1922 your arrears were greatly in excess of what they were in the previous years, $279,000?—A. Yes.

Q. I have before me a reprint from two of your Saskatchewan papers, which says in part, this: "Saskatchewan is recognized through the world as the great cereal producing province in Canada, its people marketing the largest crop (1922) in the history of the Dominion, are to-day in the position of having more money to spend than in any previous year." Can you reconcile the statement in this reprint with your figures, showing that your arrears are higher this year than in previous years?—A. Yes. The arrears were shown there for 1921, being less than 1922, the men who make payments—the reason why the 1921 arrears are small is that a lot of them were paid out of the 1922 crop. The 1921 intrest is still uncollected.

Q. In 1922 you show greater arrears?—A. If the farmer owed us for 1921, he also owed us for 1922, and if he sent us in a sum of money, that would be applied on 1921. He may hold out on his arrears in 1922 and still be owing us a lot for 1922. We had on the 31st of December, grain tickets sent in by farmers, who were owing us interest, to the extent of perhaps fifty or sixty thousand bushels, to be held by us for higher prices. Any farmer who wished to send in the ticket would be given time, if he sold the grain.

By Mr. Caldwell:

Q. These tickets were not credited as payment?—A. Oh no. They were simply held. He had a receipt for the ticket, but until he orderd us to sell, the cash was not received. He is only credited when we sold the grain for him. A great deal of that was released during the month of April and there was quite a lot of it still on hand when I left.

By Mr. Gardiner:

Q. Do you think a number of the applications for loans are for the purpose of building?—A. Yes, a number of them.

Q. Saskatchewan, being a new province, naturally you would expect a good deal of building to go ahead?—A. Yes, there will be more building of course when conditions become a little easier to build. Material is now high and wages are still higher. It costs too much to build.

Q. What is the population now, according to the last census?—A. The population of Saskatchewan, I think, is 700,000.

Q. About 800,000?—A. Somewhere near 800,000. I have not those figures.

Q. I notice from the reprint of those papers that Saskatchewan spent $4,277,000 for building last year. Provided the population is 800,000, that would only be a per capita of $5 for building.—A. Yes.

Q. That would not be an excessive sum for a new province like that?—A. No, it would be very small. A great deal of that would be in the cities. There was not a great deal of building done by the farmers in the last two or three years.

By Mr. Sales:

Q. Looking at the second item of that paper, Mr. Fraser: "The general provincial taxation of Saskatchewan in 1922 was $3.20 per capita, including automobile tax. The lightest taxed people west of the Great Lakes". That conveys an absolutely wrong impression, does it not? There is no municipal tax, no school tax.

Mr. HAMMELL: Provincial tax.

Mr. SALES: Sure.

Mr. GARDINER: It would be alright for anybody to read that who did not know anything about it.

Mr. SALES: As long as our people know that Mr. Hammell's position is sound before the Committee, it will be alright.

Mr. HAMMELL: I think I know as much about taxation as you do.

Mr. SALES: You know a good deal less about Saskatchewan.

Mr. HAMMELL: I did not place this here to boost Saskatchewan or otherwise. I placed it here to find out whether it was correct or not. We have heard enough, particularly from yourself, about that, running it down—a country that has afforded you a home for the last twenty years better than you left. Now you come here to run it down.

Mr. SALES: I question your knowledge even of that. Now, Mr. Fraser will agree with me that when we can buy a dollar's worth of stuff for a dollar in Saskatchewan, it will be all right.

The ACTING CHAIRMAN: The statement says: "The Government has sold $755,000 farm loan bonds, mostly to farmers." You do not know whether that is correct or not?—A. That is about correct.

Hon. Mr. MOTHERWELL: I think the last part of it is correct. Part of it is misleading, because only a small part of our taxes are provincial.

Mr. HAMMELL: We asked that question from the other gentleman who was here. He ought to have sent us that.

Hon. Mr. MOTHERWELL: According to Mr. Dunning's statement, we have the lowest taxation on a non-producing capital debt. There is a certain revenue debt due to loans to creameries and so forth. That capital debt producing revenue I think is the lowest. I think the last part is correct and the first part is misleading.

Mr. HAMMELL: The reason I had this reprinted, and presented it from the paper a few days ago, when Mr. Hamilton was here, was that we requested Mr. Hamilton to give us all the taxes of the province, provincial, municipal and school taxes, all the taxes of the province and to itemize them, taking from the Department of Municipal affairs. We have not yet received that.

Mr. MILNE: Is not $755,000 to go on to the farms misleading? Are not the hail insurance companies taking over about one-half of that?

Hon. Mr. MOTHERWELL: Whether it comes from that or not, as Mr. Fraser said this morning, it came ultimately from the farmer. They could not have their reserves if they did not get them from the farmer.

Mr. HAMMELL: Mr. Fraser told us this morning that the Hail Association is composed of farmers.

Hon. Mr. MOTHERWELL: And the revenue is all from farmers. The fact that the hail insurance reserve money is used for buying Saskatchewan bonds does not lessen the fact that there are men with sufficient reserves to buy bonds at this time. That was the point to be made by the fact that they were sold at this time. Is that not the situation?

The WITNESS: Yes.

By Hon. Mr. Motherwell:

Q. There is no other source of revenue except from the farmers?—A. Of course, it is far too small a sum to serve the purpose of lowering the rate of interest. What the Board requires is a good deal more money to lower the rate of interest.

Mr. SALES: I know one farmer who drew in his farm mortgages and purchased your bonds in preference.

The ACTING CHAIRMAN: Are there any further questions you wish to ask Mr. Fraser regarding the Farm Loan Board of Saskatchewan?

By Mr. Gardiner:

Q. Your evidence briefly must be at the present time that you cannot get enough loans?—A. That is the trouble. The business is there. There is a tremendous amount of money borrowed. A great deal is borrowed and they are paying eight per cent normally and nine per cent on some amounts maturing in the last two years. The farmer is writing to us to say if he cannot get a new loan he will have to pay nine per cent.

By Mr. Sales:

Q. They are charging nine per cent?—A. They are charging nine per cent on renewals now.

By Hon, Mr. Motherwell:

Q. That would be for how long?—A. Five years.

By Mr. Gardiner:

Q. Your organization, under those circumstances, will never be a factor until you get sufficient money to be able to compete with the others?—A. No.

By Mr. Munro:

Q. Mr. Bowman indicated an expected decrease in the rate of interest.

Mr. SALES: He said he hoped the time would soon be here, but I have heard that for twenty-three years.

Hon. Mr. MOTHERWELL: The other mortgage companies have raised the rates. Had your organization not been there, they might have raised them more?

The WITNESS: I have no doubt of that.

By Hon, Mr. Motherwell:

Q. Then it must have been a factor?—A. They would have raised them sooner if we had not been in existence.

By Mr. McKay:

Q. What proportion of the indebtedness of the province do you hold?—A. Less than one-tenth. It may be one-twelfth.

Q. Just one-twelfth of the whole?—A. Perhaps.

By Mr. Sales:

Q. Roughly speaking, $100,000,000?—A. I think $100,000,000 in mortgages.

By Mr. Munro:

Q. You say the gross per capita is 69 and 66. Saskatchewan's gross per capita debt.

Mr. HAMMELL: What is the population.

The WITNESS: Somewhere about 800,000.

Mr. CALDWELL: The share of the Federal debt is more than that.

Mr. HAMMELL: This is Saskatchewan's gross.

The WITNESS: I think that is intended to cover provincial indebtedness.

Mr. SALES: You have 3,850 borrowers. They borrowed nearly $80 apiece for municipal taxes alone.

Mr. HAMMELL: That is per capita.

The ACTING CHAIRMAN: Are there any more questions? If not, we will thank Mr. Fraser for his attendance before the Committee.

By Mr. Sales:

Q. Have you any idea as to what would help remedy the position in Saskatchewan?—A. I do not think there will be much done until the next meeting of the legislature. The legislature, this year, authorized the provincial treasurer to secure for us funds to the extent of $1,000,000.

By Mr. Hammell:

Q. From outside sources?—A. He is authorized to raise a million dollars for our purposes. Whether he will be able to do that or not, is of course uncertain yet. That is for the fiscal year commencing May 1st; and there can be no change in that amount until the legislature meets again, so we will not lend over a million dollars.

By Mr. Sales:

Q. You will agree with me that if we can convince the manufacturers and the wholesalers and the men engaged in distribution that our chief interest is the cheapening of the goods we buy, that would do more to remedy Saskatchewan's condition than anything else.—A. That is my attitude all the way through. I have not lost faith in the province, but I know it is labouring under a great handicap in the price of commodities, and that is my intention, to prove that to these gentlemen here, and to make them believe we are not all rolling in wealth. We have no such notion as that. We are hardly rolling in wealth, but we have the country there, and the soil will produce the crops.

Mr. SALES: Given the right condition there is nothing that can beat it.

By Hon. Mr. Motherwell:

Q. We hear quite a bit about increased fiscal opportunities and increased credit facilities. That means increased opportunities for borrowing, after all. You think that the Saskatchewan farm situation would be improved, if

Saskatchewan farmers had additional opportunities to borrow money?—A. They could improve their condition very much if they had additional opportunities for substituting lower money for the money they pay high rates on now.

Q. You do considerable of that now in the loans you make, wiping off old obligations and substituting this amortization plan. What percentage of your money is devoted to that, do you think?—A. At a guess, I would say three-quarters of the money we have advanced has been used to wipe out debts bearing high rate of interest. In many cases our loan is a small one. We feel with our lower rate of interest we should have a little better security, that we should not have to loan as much as the ordinary lenders, who are seeking to make a higher rate of dividends, and we offer a smaller loan rather than a larger one.

The witness retired.

The Committee adjourned until 11 o'clock a.m., May 8, 1923.

HOUSE OF COMMONS,
COMMITTEE ROOM 268,
Tuesday, May 8, 1923.

The Special Committee appointed to inquire into Agricultural conditions throughout Canada met at 11 a.m., Mr. McMaster, the Chairman, presiding.

The CHAIRMAN: We have Mr. Dewar here, from Prince Edward Island.

ALFRED E. DEWAR, called and sworn.

By the Chairman:

Q. Mr. Dewar, what is your full name?—A. Alfred E. Dewar.

Q. You come from the garden of the Gulf, I understand?—A. Yes.

Q. What do you do there?—A. Until twenty-one years ago I was on a farm. I carried on general farming and dairying. I sold that farm then, and went into fruit farming.

Q. Have you been for twenty-one years engaged in fruit farming?—A. Yes.

Q. Do you grow potatoes?—A. Yes, a few.

Q. Do you keep an account of what your potatoes cost you?—A. Not any particular account.

Q. Have you any official connection with the business of potato growing?—A. I am President of the Potato Growers' Association.

Q. I suppose on the island they grow very fine potatoes?—A. They do.

Q. Almost comparable with the potatoes grown in New Brunswick?—A. If you ask the islanders, they will say they are better.

Q. Are they sought for for seed?—A. Yes, very much.

Q. That is a combination in itself. Have you any figures to give us which will help us to determine what it costs you gentlemen to produce potatoes in Prince Edward Island?—A. Yes. I made an estimate of the cost after consultation with the rest of our growers. It is very hard to get at the actual cost of production. It varies from year to year. It varies also on different lands.

Q. Have you a statement of that kind to place before us, to help us in our inquiry?—A. Yes. I have made an estimate for the average farm, the average cost of growing. Sometimes it will cost less, and sometimes it will cost more than this estimate.

Q. What you believe is that the figures you are going to put before us truly represent a fair average of what it costs to produce potatoes for seed in Prince Edward Island?—A. I believe this is an average. With some people it may cost more, while some people may grow for less. On a lot of farms over on the island, I could not strike an exact figure.

By Mr. Caldwell:

Q. Are you giving us the cost per acre or the cost per barrel?—A. I have it both ways.

By the Chairman:

Q. Will you give us that, please?—A. I start in with a farm of 100 acres.

Q. Before you start that, are you an agriculturalist or a farmer?—A. Do you mean, according to Horace Greeley's definition?

Q. A farmer is a man who lives on his farm and is supported by his farm, while an agriculturalist is a man who supports a farm?—A. Horace Greeley said a farmer was a man who made his money on the farm and spent it in the city, while an agriculturalist was a man who made his money in the city and spent it on the farm. I make my money on the farm. I had better start with the overhead charge on a farm of 100 acres, valued at $5,000. You can get plenty of farms at $5,000. Some will cost more and some less, but we will take the average farm.

Q. That is, $5,000 for the land?—A. $5,000 for the land and buildings. Machinery equipment, if you bought machinery at the price list of to-day of the McCormick Manufacturing Company, the machinery for that farm would cost you $1,860. If you bought the machinery before the prices went up it would have just cost you a great deal less.

By Mr. Caldwell:

Q. Would that include hay, grain and potatoes?—A. We have nobody that runs a whole farm on potatoes. We have some who are running that way pretty much, but they are not going to follow it up. We have to have a rotation of crops. I have included three working horses, valued at $400. The total investment would amount to $7,260.

Q. Does the $400 for horses include the harness?—A. No, not the harness, only the horses. Yes, it includes the harness and the equipment.

By the Chairman:

Q. That is to say, you can get a farm with some buildings on it, and enough horses and equipment to start operations for say $7,260?—A. Yes.

Q. That is the capital investment you are starting off with?—A. Yes.

By Mr. Sales:

Q. What would the value of those buildings be?—A. That is pretty hard to say. On some farms you would pay more than on others, where the buildings were not so good. The land would be more productive in some parts, while in others the value of the buildings might be in excess of the value of the farms. I have included $1,500 for barns and $1,500 for a house, still you might not be able to buy the land that that was on for the rest of the money, that is, without the buildings.

[Mr. A. E. Dewar.]

By Mr. Caldwell:

Q. You can buy a farm with pretty good buildings on it for very little more than the buildings would cost?—A. Yes, but they would be depreciated over a good many years, or they might be in good condition.

By the Chairman:

Q. All right, Mr. Dewar, you will forgive all these interruptions. We will proceed on the Socratic method, in this Committee—question and answer.—A. Overhead is a charge that you cannot get rid of very well. First I take interest on $7,260 at 7 per cent. Mortgages are going there at 7 per cent, some a little less and some more, but the Registrars say that the average is 7 per cent. That is $508. Depreciation on machinery at $1,860, 8 per cent. The Dominion Government allows 10 per cent, but I thought that a little high. That makes $148. I have allowed for the barn, $1,500, and a depreciation at 4 per cent, which is one per cent less than the Dominion Government allows. That depreciation comes to $60. On the horses at $400 I have allowed a depreciation of 10 per cent, which comes to $40. I put the insurance on barns and machinery at $12 a year. I consider that after a man puts in his investment he has to keep it insured against loss. Then there is the Provincial tax of twenty cents an acre, $20, school taxes $12, and poll and road taxes $7.25. There is a $3.00 poll tax, a $2.00 road tax and 75 cents for each horse, $2.25, making in all $7.25. You cannot get rid of this tax of $7.25; it is a charge on the land, and the man has to pay it.

Q. They do not charge according to the number of children in a family?—A. No, they do not charge according to the number of children. Everybody over 25 years has to pay.

By Mr. Sales:

Q. They do not bonus a man for his large number of children, do they?—A. No.

By Mr. Caldwell:

Q. They do not pay poll taxes on Prince Edward Island until they are 25 years old?—A. Well, really I think it is 21, I am not sure, but I think it is 21. It would not make much difference for a year or two. Everybody has to pay his poll tax, and $2 road tax, whether they live in the district where they own land or not.

Q. These taxes are pretty light as compared with the taxes that have to be paid in other parts of the country?—A. We do not think a farm of the selling value of $5,000 would be over valued at $4,000. They are not supposed to be taxed up to the selling value, in all cases.

Q. In most districts they are supposed to be, but never are. I think in the Maritime Provinces it is supposed to be about two-thirds of the selling value, for the purpose of taxation?—A. I don't know how they do it. I don't think they have always valued property up to the selling value. That makes a charge of $808 on the 100 acres, or $8.08 per acre as an overhead, that I do not see how they are going to get rid of. There may be some room for discussion on that interest, but I consider it is a charge on the production. I do not see how anybody can put it in as part of his profits, anything more than anything else outside.

Mr. Sales: Agreed.

Witness: I did not put in any charge for depreciation on the fencing. There is a question on what a man should be charged for his house. I have allowed him the interest. I did not charge anything for depreciation on his house.

By the Chairman:

Q. That is supposed to offset the use of his house?—A. I think so. If you add $550 for additional machinery, the additional yearly charge for interest and depreciation would be $83.50. Two 100-acre farms could be worked co-operatively, which would reduce the overhead charge for interest and depreciation on machinery from $2.73 per acre on a 100-acre farm to $1.81 per acre on the 200 acres.

Q. Are your farms of such a nature down there that the people co-operate readily?—A. They are. I expect that a man who grows from 50 to 100 acres of potatoes will have his own machinery, but on smaller lots they co-operate in such things as sprayers, diggers and planters. There are a good many who co-operate a little more than that, they help one another in labour and horses. You can do away with some horses in co-operative work.

By Mr. Sales:

Q. Your argument there, if I mistake not, is that a 200-acre farm can be operated at a less expense than 100 acres?—A. Yes.

By Mr. Caldwell:

Q. That is, a less expense per acre?—A. If a man can reduce his machinery a little, yes. Take waggons and ploughs, a man does not want his neighbour to use them along with him, but in the case of other machinery he does.

By Mr. Sales:

Q. A large number of gentlemen down here keep telling us that our farms are too large. We find that machinery will work two or three quarters at a much less expense per acre than 160 acres?—A. Yes. The overhead charge will be smaller.

Mr. HAMMELL: But you overstep that limit.

Mr. CALDWELL: There is an unbeliever for you.

Mr. SALES: I stated a thing which will meet with the approval of the men out there who know.

By the Chairman:

Q. I must beg your pardon for these irrelevant interchanges between the members of my Committee, Mr. Dewar. Will you please proceed along your own lines? You have your overhead, and you have told us how you can reduce your overhead?—A. Yes.

Q. Go ahead with your estimates.—A. The cost of growing certified seed potatoes on Prince Edward Island per acre—I have made a distinction between certified potatoes and the common table stock. The first is an item of spring cultivation.

Q. What do you do?—A. They are generally ploughed and disced. Sometimes there are weeds to get out of the land. The people do some cultivation in the autumn, and sometimes in the spring. I allow $5 an acre for that. Some people do not have to do that, but some have to do more than $5 worth of work. What I have tried to do is, to strike a fair average.

By Mr. Caldwell:

Q. Does that $5 an acre include ploughing, seed, and putting the land in shape for planting?—A. Yes, both spring and fall. Some have stubble ground.

Q. On stubble ground, isn't there more danger of weeds?—A. If they cultivate it in the fall they kill the weeds. There is more danger of weeds there than in sod.

Q. What would the cultivation cost?—A. I have put in $15 for the fertilizer alone.

Q. $15 per acre?—A. $15 per acre.

Q. How much do you use?—A. I did not count it that way. I consider we have a cash crop now, and are selling it off the land. My idea is that the land is the farmer's bank, and that he has no business to deplete it in any way. It costs about 6 cents a bushel for fertilizer at the price we are paying now for the finer potatoes. I just put down the cost in that way.

Q. How much fertilizer do you use per acre for potatoes?—A. It runs all the way from 700 to 1,600.

Q. What do you pay per ton for it?—A. Our cost was about $29.50.

Q. This year?—A. This year, not for the mixed fertilizer, that would cost us about $49.

Q. Three years ago what would it cost you per acre?—A. It was costing us about $5 a ton more last year. It is about $5 a ton cheaper this year.

Q. What about two years ago?—A. Two years ago you could not buy fertilizer for what you can buy it to-day. Some of the farmers went in and bought their own fertilizers.

By Hon. Mr. Sinclair:

Q. Those would be for what potatoes?—A. Cobblers. Over there they are selling acid phosphate for $5 a ton more than we are paying, while others are paying $11 a ton more than we are.

By Mr. Caldwell:

Q. That is, when buying in foreign markets?—A. Buying in foreign markets. The Potato Growers' Association are doing that.

Q. What are you paying for your nitrate?—A. $62 I think it is costing us over there.

Q. That is nitrate of soda?—A. I think that is the price.

The CHAIRMAN: Let him answer one question before you bombard him with another. Take all the time you need. We are delighted to have you here.

The WITNESS: Nitrate of soda, $57.50 per ton at the factory, and the average freight would be about $4.50 per ton, about $62. Some would have to pay a little more and some a little less. The lowest is $4.30 and the highest is $4.90, according to the distance you live away from Borden.

By Mr. Caldwell:

Q. Sulphate of ammonia, how much?—A. $74.50. Add $4.50 more to it; $79.

Q. Laid down at the nearest railway station?—A. Yes.

Q. You buy tankage, too?—A. No.

By the Chairman:

Q. What do you call tankage?—A. Our people will not buy tankage.

By Mr. Caldwell:

Q. Tankage is the bi-product of the packing plants, and includes a lot of things, which I do not think the people know about. How much is acid phosphate?—A. $17.50 a ton and $4.50 added, will make the average price $22.00.

Q. Muriate of potash?—A. 50 per cent, $39.00; $4.50 added makes it $43.50. That is for 50 per cent. There is a cheaper potash, the 40 per cent, which is not worth so much. We are not handling that, and we do not buy any of that.

Q. I have prices in New Brunswick. Your prices are not so good as ours in New Brunswick.—A. Your muriate is 40 per cent.

Q. I am not sure about that.—A. I am pretty sure about it, the way I see in the evidence, the making up of fertilizer. It was only 40 per cent. He was putting in 200 pounds, where we put in 160 pounds.

By Mr. Sales:

Q. Can you tell us what is the saving per acre to the farmer by buying from the co-operative, instead of buying through the dealer?—A. If you buy 4-8-4, it would cost you $38.50 a ton at the factory, with $4.50 added. That would cost you $43.00 a ton, and we would put that down at about $29.50.

By Mr. Hammell:

Q. 4-8-4 costs you what?—A. $38.50 a ton to be sold to us, but their price list is $52.00, I think.

By the Chairman:

Q. Have you got it there? If you have it in your hand, find it. Take your time. There is no hurry. Gentlemen, the witness is looking up data in regard to a question I asked him. Give him a chance, please.—A. The nearest I can find on this list is nitrogen, 3-2-8. That is nitrogen, equal to 4 per cent ammonia, but we always consider it as nitrogen phosphoric, 8 per cent; potash, 4 per cent. That is listed at $52.00 a ton. Then the price the same company gave us co-operatively was $38.50, and $4.50 added would be $43.00. They are both the same company. That is the figures they quoted us on 4-8-4, $38.50, with the $4.50 added. On the price list they send out, it is quoted at $53.00.

Q. For the mixed goods?—A. Yes.

Q. Have you any other analysis for this year?—A. We can only make it up by the prices. We can make the cost price of any fertilizer you want, but I think our people are using 4-8-4 mostly.

By Mr. McKay:

Q. Buying co-operatively, do you pay cash?—A. Yes, we pay cash buying co-operatively.

By Mr. Caldwell:

Q. Your price list on the mixed goods would be on time?—A. No, cash.

By Mr. Sales:

Q. All this is Greek to me. I do not know how much you use of one and how much of another.—A. The list of questions we send out to our men shows they run from 700 pounds to 1,600 pounds per acre.

By Mr. Caldwell:

Q. Take an average of half a ton to the acre, what would your saving be? —A. About $12.00, I think. I am not sure if that is the right figure. I figured out $12.26 a ton more if we bought the mixed goods at the price they gave us. That would not account for the extra freight on the filler, only just as we got it there. You would have to pay freight on 400 pounds of filler, sand.

Q. What do you say your price is on 4-8-4 this year?—A. It would cost about $30.00 and mix it yourself.

Q. I find I have a price on chemicals this year, 4-8-4, $23.57, laid down at our station in New Brunswick.

The CHAIRMAN: What station is that?

Mr. CALDWELL: Lawrencetown, New Brunswick.

The WITNESS: You would have a lower freight rate than we would have.

Mr. CALDWELL: I would not think so. We are inland.

By Hon. Mr. Sinclair:

Q. What are your prices at the factory?

Mr. CALDWELL: We buy it delivered, not retail, this year.

By the Chairman:

Q. Do I understand that in buying co-operatively you cut down your expense of producing potatoes to the extent of about $12.00 an acre?—A. If you put it on 1,600, your reduction will be more.

Q. What do you say the cultivation came to?—A. Autumn and spring cutivation, $5.00 an acre. You would plough it in the fall and plough it in the spring, and you would sometimes kill the weeds and get the ground in condition. The weather would make a good deal of difference in the cost of cultivation.

By Mr. Sales:

Q. About what do you consider ploughing costs in Prince Edward Island? —A. I know you would plough a field once a year, when the ground was in good condition; and in another year when it was hard and baked, it would take you twice the time and energy.

Q. If you had to hire help?—A. They would charge you $2.00 an acre or more, but the man would do it cheaper than that for himself, if he used a two furrow plough and a horse. There is the drawing from the station, and mixing that fertilizer—we are allowing $2.00 an acre for it. Seed, 17 bushels at 75 cents—that would be certified seed. That is more than the common seed costs you. We paid our men 75 cents a bushel on their cobblers last fall. We have not settled up with them yet. I think that is fair.

By Mr. Caldwell:

Q. There is quite a shrinkage to it.—A. Really if you would look at what the profit was, it would be what it cost him to produce it.

By the Chairman:

Q. Does the man put in the seed he grows himself, or does he get it from his neighbour?—A. This certified seed is inspected in the field.

Q. You estimate how much?—A. 17 bushels at 75 cents.

Q. For an acre?—A. Yes.

By Mr. Sales:

Q. That is $12.75?—A. Yes. Treating and cutting, we allow $3.00 for that. The public does not treat it, but we are advising them to do it.

Q. Treated with what?—A. Bichloride of mercury, it destroys the outside diseases on them, scab, and all those things. It has an effect on blackleg.

By Mr. Caldwell:

Q. Do you use formaldehyde?—A. After the sprout starts. There is some complaint by those who use it after the sprout starts.

Q. If you use it before the sprout gets started, the bichloride does not seem to have an effect on the sprout like formaline.—A. A lot of our men will not use formaline any more.

By the Chairman:

Q. What you use in the Island you do not think lowers the vitality?—A. No, what we are going to use this year—it is called corrosive sublimate. It is a poison.

By Mr. Caldwell:

Q. It has to be handled more carefully?—A. It has to be handled a little more carefully. For planting I put down $2.25. Some think it is too much, and some think it is hardly enough. Some of them use a one-man planter and some use a two-men planter. A good deal depends on the land, if your planter is in good order, and if your fertilizer works well.

Q. That includes getting the fertilizer in the field?—A. Yes. It would get down to $4.00 for summer cultivation.

Q. Will $4.00 an acre do your summer cultivation?—A. Yes.

Q. How often do you do your cultivation?—A. They go four or five times.

Q. They hand hoe?—A. Some of them hand hoe, and some of them do not do it.

Q. I think your cultivation costs you very low.—A. We do not want to put it too high.

Q. In New Brunswick we plan to go through them once a week.—A. It would depend a good deal on the weather. If it came on rain shortly after you cultivated, you would want to go quickly again or you would lose your moisture.

Q. We think we need just as much in the dry weather, to absorb the moisture in the air in the night time.—A. If it does not get the union between the top and the bottom, it cannot go off. Spraying five times and material, $9.00. Digging, $2.00 per acre.

Q. $2.00 per acre for digging them out?—A. Yes.

Q. How do you dig?—A. That is not the picking. That is only the digger work. Three horses and a man. That would be the digger.

Q. How many do you dig a day?—A. Some of them two and some of them three, and one man said four. One man said you cannot drive these elevator diggers as fast as the other diggers.

Q. What is your experience?—A. I never used one, but I can tell you the experience of one of our growers. I said, "how long will your planters and digging machinery stand?" He said "I got a new planter last year, and it was good for 65 acres and I had to take the plough for the other 15."

Q. What does the digger cost?—A. $200. I think that digger gave out too quick.

Q. I think the life of a digger is not over 200 acres.—A. I think when you get a sharp sandy soil it wears out quicker.

Q. Or rocky soil?—A. If the soil had sharp angles on it. I think it was on that kind of soil. It was more sandy.

By the Chairman:

Q. This gentleman thinks that $2.00 an acre is a fair allowance to make for digging potatoes.—A. I have talked to several of them and they say about $2.00.

Q. Do you agree with that?—A. Yes, I think it is pretty fair. I think some people can do it for less. Picking $7.50. That is higher, I think than probably you would do it for on common potatoes. You have to handle them more carefully. These are put in bags and handled more carefully. Hauling from the field, and storing, $5.00.

Q. What do you pay your pickers?—A. Some of them pay by the acre. One man told me he paid $10.00 an acre, and I saw his crop about the 1st of September and I considered he had a 300 acre crop. That would be about 3 cents a bushel.

By Mr. Caldwell:

Q. I think we pay $6.00 for pickers and 15 cents a barrel, from 10 to 15 cents a barrel.—A. Your charges are more than ours.

Q. We are right along side the State of Maine, where they train our young men in digging.- A. I do not consider it is an excessive charge for picking.

Q. It is cheaper than we can do it, in the bagging or picking.—A. I think they are getting it done for that now. I think the farmer does it for that. There are a lot of children working at it, and they do not get as much wages, but they will not do as much work, but they get it done all the same.

Q. Do the women pick some?—A. I think they do at the North Shore.

Q. A man with his own family does not figure on the cost of picking?—A. There are a lot of fishermen, and I think some women pick.

Q. The farmers' wives are pretty well busy without picking?—A. Yes.

By the Chairman:

Q. Will you tell me any particular line of farming where the woman is not kept busy at home looking after the home?—A. I do not know of any place where she has not enough to do. Hauling from the field and storing, $5.00; estimated on 225 or 250 bushel crops. They have to be handled carefully and you have to store them. Some of them put them in the cellar and some of them put them in the barn.

By Mr. Caldwell:

Q. They can only put them in the barn until the cold weather comes?—A. Yes.

Q. Then they have to move them again?—A. Some of them, where they grow large quantities, and the neighbors who cannot grow them, give their cellar room and they have big warehouses, and some of them store them there.

Q. Do your farmers build frost-proof warehouses?—A. There are two or three privately owned.

Q. Built of stone or concrete?—A. No, they are wood.

Q. Built underground?—A. Above and below. The cellar below, and the upper part is used too, and may be frost-proof. At least I understand it is.

Q. It is a pretty costly job, building storage for potatoes?—A. One of our men built one last year and I think it holds about 50,000 bushels.

Q. Do your farmers build them on the farm?—A. Not yet, but they will have to do it if they are going to grow fifteen or twenty acres.

Q. Have you computed that in the cost of the storage?—A. Not particularly, except that I am allowing depreciation on the building. He uses his house cellar for part of that, and he uses the barn and sometimes they do not put them in at all. They put them out in pits, where they are going to ship them early. I am taking the conditions as we have them there now.

Q. Very well. Do not let us interrupt you too much.—A. Overhead is $8.08, making a total of $75.58.

By the Chairman:

Q. Continue, Mr. Dewar. Now, you have got the potatoes into the barn or into the cellar.—A. Yes.

Q. Now have you got any more charges to put on the potatoes?—A. Well, they are not marketed yet. If you had a crop of 225 bushels, the cost to you would be 33.66, $33\frac{2}{3}$ cents.

Q. You are speaking altogether of certified seed?—A. Yes.

By Mr. Sales:

Q. Would the yield of the ordinary potatoes be that much?—A. Take it last year, it was not anything like that.

By the Chairman:

Q. You are going to take us over the uncertified seed.—A. I inspected a good many of the fields. We were three days around, the Secretary and I, and some man from Virginia, and I might say I did not see what I would call a first class field of the common stock in all our travels.

Q. Where were your travels around?—A. On Prince Edward Island. The only Island there is, they say.

Q. When people use the expression "the Island," we understand quite well in Canada what island it refers to,—Prince Edward Island. What do you say was the cost of producing?—A. 33·66, $33\frac{2}{3}$ cents per bushel.

Q. For a crop of 225 bushels?—A. Yes.

Q. Now, you have not got them sold yet?—A. No.

Q. Tell us what it costs to sell them.—A. The cost of selling and delivering to the station would be about 14 cents. I was talking to some of our members who live about that far away, and the cost would be about 14 cents, including the bags, per bushel. The bags would be about 5 cents a bushel.

Q. How many bushels in a bag?—A. What we call a barrel is 165 pounds. Some want a 90 pound bag.

By Mr. Caldwell:

Q. What do the bags cost you?—A. About 12 cents, I think, by the carload.

By the Chairman:

Q. Are these potatoes used for seed in other parts of the world?—A. Yes.

Q. Is there a ready market for them?—A. If we got the cars this year, I think we would have cleaned up all we had.

Q. What proportion of your crop in Prince Edward Island was composed of certified potatoes for seed?—A. I could not tell you that, but up to the 1st of May we have handled over 200,000 bushels and we expect 25,000 or 30,000 bushels will go for table stock.

Q. Where did those potatoes go?—A. Long Island, New York, Virginia, Carolina, New Jersey.

Q. You not only export from the Island college professors and teachers of all sorts, but potatoes, which are in demand all over North America?—A. Yes.

Q. What do you get for them?—A. We are only about three years old, on the 15th of April last. The first year we had five carloads and we paid our members $1.67 a bushel for them.

Q. That was when?—A. Two years ago. We would be running since 1920.

Q. And last year?—A. For this present year, we had about 50 carloads and we paid our members $1.33 a bushel and we took our overhead charges out of that.

By Mr. Caldwell:

Q. That would be 1921?—A. Yes, and we charge them 5 per cent commission on all our sales, but our overhead did not amount to 5 per cent.

Q. This is the net price to the farmer, that is, $1.33?—A. We get the bags. After they get the potatoes in the bags they deliver them. They had no more to do with them, only to cash their cheques.

By Hon. Mr. Sinclair:

Q. Did you have to pay any duty?—A. Not the first year.

By Mr. Caldwell:

Q. In 1921, you did?—A. In 1921 we did, but we got quite a lot of exchange, which helped us quite a lot on the price. I could not say how much. I have not got the figures here.

By the Chairman:

Q. In 1922, what did you get?—A. Our year does not end until the 31st of May and we have not got them all settled up yet, but we paid them 70 cents on the cobblers and 50 cents on the Green Mountains.

Q. What is it on the certified?—A. That is certified seed. We sold some table stock about ten days ago and they netted us 60 cents in Boston.

Q. Do you give them participating certificates?—A. No. We do not go into that, but they authorize us to take up to 10 per cent commission on the sales, if we need it.

Q. What do you expect to give your members besides the 70 cents you have already given them?—A. We have to take out the overhead yet. It is not settled yet, because we have not got our collections made. We sometimes have trouble with the railway companies on freight.

Q. What do you hope to give to your members?—A I do not know. They may get five cents more, perhaps. This has been a pretty hard year in the potato business.

Q. How do you arrange to have your seed sold to Long Island, Virginia, and Carolina?—A. The first year we sent a man there. Our Secretary went down. They have field days in Long Island, New Jersey and in Norfolk, and we got the dates when they were growing potatoes down there, and he went and talked to them, and Professor Stewart, was a good Canadian before he went there, and he has been a good friend to us too.

Q. Did he come from the Island, too?—A. He came from Canada. I do not think he came from the Island.

By Mr. Caldwell:

Q. One great man escaped being born on the Island.—A. I am afraid there are plenty others. Our trade is growing all the time.

By the Chairman:

Q. And will grow?—A. It looks like it. The only thing that will put us back is if we let the quality go down.

Q. What duty was paid on your 1922 crop going into the States?—A. We paid 25 cents a bushel I think it was, then they raised it to 30 cents, and I think it is half a cent a pound now.

By Mr. Caldwell:

Q. 50 cents per 100 pounds?—A. Yes. I think last year it was 25 cents a bushel.

By the Chairman:

Q. Once you get the demand for your potatoes greater than your ability to supply them, you will find that the Americans will pay the duty?—A. The demand has been taking our potatoes right along, without much pushing on

the market. As we get bigger, we may have to keep our salesmen there all the time.

Q. Once the demand among the consumers grows to such an extent that you are unable to supply it, you will find that the burden of the tariff will be moved from the exporter to the importer?—A. I don't know that that will be the case entirely.

By Mr. Caldwell:

Q. The northern grown seed is the better?—A. The northern grown seed is used for the earlier purposes.

Q. They grow two crops a year?—A. Yes.

Q. A potato will not germinate and grow in less than three months after it has ripened?—A. I think they keep some of them in cold storage plants, and then plant them.

Q. When they grow two crops they must immediately plant the second after the first; a potato will not germinate and grow until about three months after it ripens?—A. That is so.

The CHAIRMAN: We will put on record the duties on potatoes in 1922. The duties will be found in paragraph 769: white or Irish potatoes 50 cents per hundred pounds. Dry, de-hydrated or dessicated potatoes $2\frac{3}{4}$ cents per pound, potato flour $2\frac{1}{2}$ cents per pound.

By the Chairman:

Q. If you had free entry into the American market for your potatoes, would that be a help to you?—A. Yes, it would, but New Brunswick and all the rest would turn in, and they might bring the supply up. If we might get the duty off, it might be an advantage to us, but not to the extent of the whole of the trade.

Q. The prices you get for your certified stock are considerably better than you get for your ordinary stock?—A. Yes, a lot better.

By Mr. Caldwell:

Q. You say if the duty were off, the people of New Bunswick and Nova Scotia might compete with you?—A. It would be more profitable to us, but they would all be going into it.

Q. You are on an equal footing now?—A. Yes.

Q. At present you are on an equal footing?—A. Yes.

Q. It would make a big difference with the Maine farmer?—A. There would be more people going into it all the time.

Q. You think it is a good thing to fine a man by means of the duty?—A. Well, it would not give us the whole advantage of it, but it would give us some of it.

By the Chairman:

Q. I was interested in your computation of what the taxes amount to per acre. Will you give us that again; will you give us the sum total of the taxes?—A. $39.25 on 100 acres valued at $4,000.

Q. At $4,000?—A. Yes.

Q. We had an expert here from Manitoba, who valued the Portage lands at $40 per acre, and the taxes there were $90 per quarter section of 160 acres. Will some of the good arithmeticians here make a calculation as to what that would be for 100 acres?

Mr. SALES: $56\frac{1}{4}$ cents per acre.

By the Chairman:

Q. Now take the hundred acres at $39.25.—A. That would be 39¼ cents per acre.

Mr. SALES: A difference of 17 cents.

Mr. HAMMELL: Substantially a difference of 50 per cent.

WITNESS: Everybody does not get off so easy. It costs me $1 an acre for taxes on my land.

By the Chairman:

Q. But your land is vauable?—A. The Government values it at $200 an acre for taxation. I am close to a town.

By Mr. Caldwell:

Q. Is it farm land?—A. There are 28 acres in it.

By the Chairman:

Q. Are you prepared to tell us about your costs of raising fruit?—A. Yes

Q. Perhaps I should have asked if there were any more questions about potatoes.

By Hon. Mr. Tolmie:

Q. What does it cost an acre to produce potatoes?—A. If I were producing them on my 28 acres of land, my overhead would be higher, I would be only a mile and a quarter from the station. Of course I would make a saving there. The cost of land is not always the main thing, if you get all the conveniences with it.

Q. But roughly what would be the cost of cultivation, seed and so forth?

The CHAIRMAN: He has been over all that.

By the Chairman:

Q. Give Dr. Tolmie the total of what it costs you to produce an acre of potatoes?—A. $75.58.

By Hon. Mr. Tolmie:

Q. What is your average yield?—A. For certified seed, last year I put it on an average of 225 bushels per acre. The cost per bushel would be 33·66.

Mr. SALES: What about the ordinary potatoes?

By Mr. Caldwell:

Q. Before we leave the certified seed, did you ever have any demand in New Brunswick for the very excellent seed you grow on the Island?—A. Yes. We hope to ship to New Brunswick this year.

Q. Have you sold any?—A. We sold two carloads in New Brunswick last year. A New Brunswick man bought them, but we heard they went to Maine afterwards. The New Brunswick people are buying now, in part carloads and small lots.

Q. The New Brunswick people are?—A. Yes.

Q. Have you ever refused to sell to New Brunswick for seed?—A. No. I know that we have turned down orders for Cobblers. They have picked up all the No. 2's for seed.

Q. Both at home and for shipment out?—A. Yes.

Q. Have you ever refused to sell to New Brunswick buyers, when you had potatoes to sell?—A. I think we have. I think I had better not tell all I know about this certified seed.

By the Chairman:

Q. You are supposed to tell all you know, Mr. Dewar.—A. Yes, I am supposed to tell what I know, but not what I think.

By Mr. Caldwell:

Q. Was there ever any occasion when a New Brunswick man wanted to buy seed when you shipped to Cuba for table stuff and did not get very much out of them?—A. I don't know whether they expected to get certified seed at that time, but all that went to Cuba was not certified seed.

By the Chairman:

Q. That is hardly a direct answer to the question. We are here to help everybody. We feel an admiration for Price Edward Island, but at the same time we are anxious to help New Brunswick and Nova Scotia, and as a Canadian patriot you had better give us an answer, and let us have all the facts.—A. I think I understand him better than you do, Mr. Chairman. I think both of us have the same opinion about the people who are operating there.

By Mr. Caldwell:

Q. Operating where?—A. New Brunswick and Cuba.

By Mr. Sales:

Q. What people are you referring to?—A. The ring.

By Mr. Caldwell:

Q. What do you mean by that?—A. Take the Intelligence Bulletin, that will tell you what the ring is, a combine in Cuba.

Q. Are you referring to the combine in Cuba?—A. I am referring to the combine in Cuba. It did not exactly say so, but the Consul says the people of New Brunswick are agents for them.

Q. Who are the New Brunswick people who are the agents for the people in Cuba?—A. It was brought out in the evidence here.

Q. Tell us what you know about it.—A. The only thing I know is, the evidence given here about Porter, Gallagher, Esty and so forth. That is all the evidence I have.

Q. You do not know anything about it yourself, personally?—A. Not personally.

By the Chairman:

Q. What do you know about it, you know something about it. Tell us what you know about it?—A. I can only tell you what I get from the Commercial Intelligence Bulletin, printed by the Government.

Q. A man is justified in believing that. What did you learn from that, tell us, so that we need not go to the bother of looking it up?—A. It must have been about two or three years ago that the bulletin told us about a ring operating in Cuba, where an independent man could not buy potatoes from them. An independent shipper went in, and they would not supply him. They controlled the market in that way.

By Mr. Caldwell:

Q. In Cuba?—A. In Cuba. If he did not say it right out, he left the impression that it was controlled by the same ring here. I have not got that evidence straight, but that is the impression he left upon my mind.

Mr. Sales: Why would they refuse to sell potatoes to the New Brunswick people, Mr. Caldwell?

Mr. CALDWELL: I have information that New Brunswick people who wanted those very excellent seed potatoes from Prince Edward Island were unable to buy them, and that they then shipped those potatoes to Cuba.

WITNESS: They did not make us any straight offer for them.

By Mr. Caldwell:

Q. You were afraid that they would grow as good potatoes as you grow?—A. It was a roundabout offer, it was not direct.

Hon. Mr. SINCLAIR: What kind of potatoes were they?

Mr. CALDWELL: They were Cobblers. For which is there the most demand?

Hon. Mr. SINCLAIR: Cobblers.

By the Chairman:

Q. Well, Mr. Dewar, I can only say that I hope when you are selling your potatoes you will be glad to sell them to anybody who will pay the money for them.—A. Yes, if a man is able to pay for them and he makes us a firm offer, we will sell to him, I think.

By Mr. Caldwell:

Q. Were you suspicious about them being able to pay for them?—A. No, I was not suspicious about them being able to pay for them, but the man who was over there, Mr. Porter—

Q. Over where—A. On the Island.

Q. Was he wanting to buy potatoes?—A. I am not sure whether he made an offer or not. We did not consider it a firm offer. He was talking about potatoes. We were loading a steamer for Virginia at that time.

By Mr. McKay:

Q. Do you sell potatoes to Cuba?—A. We had a shipment there last year.

Q. One shipment?—A. One shipment.

Q. Do you come into contact with the combine steamers?—A. Yes.

Q. Did you ship direct from Prince Edward Island to Cuba?—A. Yes.

Q. What shiping company were you in contact with?—A. The Southgate Company.

Q. They are accused of being in the combine?—A. No, they are independent.

By Mr. Caldwell:

Q. That is not a Canadian firm?—A. No, that is an American firm.

By Mr. Sales:

Q. What was your experience when you came into contact with them?—A. When they got there the market was glutted with potatoes. They came in from Holland, and the market was oversold. Our steamer was delayed somewhat, and we did not have a frost-proof warehouse. Our potatoes got damaged, the market was down, and the shipment did not turn out very well.

By Mr. Sales:

Q. You were not in the ring?—A. The agent tells us that there are other independents there besides ourselves, and they have a fashion of dropping the price when the stuff is on the market.

By the Chairman:

Q. Will you say that again?—A. The ring is often dropping the price when a lot of independent stuff goes on the market.

APPENDIX No. 3

By Mr. Caldwell:

Q. The ring in Cuba?—A. Yes, the people who are not in it, the outside people coming in. I went in with a steamer-load of potatoes. Further than that, the Bulletin told us some time in January the ring had a disagreement, prices were not stable, and in March again it said there was still a disagreement among the ring.

Q. With the ring in Cuba?—A. Yes.

Q. Is it a case of "when rogues fall out, honest men get their due"?—A. I don't know. I think they get it pretty straight.

By the Chairman:

Q. Tell me this; this ring in Cuba, where is it controlled from, from New Brunswick?—A. I expect it is controlled from Cuba.

Q. Has it affiliations in New Brunswick, do you know?—A. We have the evidence given before the Commission. I have the impression that it has.

Q. Apart from the evidence before the Commission or the Committee, have you any knowledge of your own?—A. Not at first hand.

Q. You are a selling agent for this co-operative association in Prince Edward Island, are you not?—A. Yes.

Q. It is your duty to keep in touch with the market?—A. Yes.

Q. Do you think in selling your potatoes you were brought into contact and competition with a ring that tries to control prices in Cuba, and has got affiliations in New Brunswick?—A. Well, as far as I can find out. I could not put my hand upon that direct evidence, but I believe they are working with this ring in Cuba. That is all I can say.

Q. That is one of the factors you have to contend with when selling your stock?—A. The independent people have.

Q. You are one of the independents?—A. I am one of the independents. Of course that is only what we can find. If we went into a court of law with that evidence, I do not think it would hold. But we know a lot of things we cannot prove.

Q. You have a lot of moral certainty that you cannot give legal proof of?—A. We run up against that ring, when we get to Cuba.

By Mr. Sales:

Q. Did you stop shipping to Cuba on that account?—A. No. We stopped because the people could not get storage for potatoes.

Q. You would be aware if they were shipping any more to Cuba?—A. Well, there are some shipments going on.

By Mr. Caldwell:

Q. What time was this other shipment made by yourself to Cuba?—A. We made it last fall. It was about the 24th November before it got away.

By the Chairman:

Q. Have you any figures to tell us what was the amount shipped out of Prince Edward Island last year by others than your association in respect of non-certified potatoes, the total amount shipped out of Prince Edward Island?—A. No. You cannot find that out. It is almost impossible to find that out. In 1917 I was on the Food Board, and we tried to find out the shipments of potatoes from Prince Edward Island, along with the Department of Agriculture. We wrote the shippers to get their shipments, but we could not come to any certain conclusion as to what was shipped.

By Mr. McKay:

Q. Where do you ship to?—A. They go to Newfoundland, some to the States, some to New Brunswick, some to Halifax. They send them everywhere. Cape Breton takes a lot.

Q. Where does the volume of your export go to?—A. That is pretty hard to say. They go in small lots. Cape Breton takes a lot, New Brunswick takes a lot.

By Mr. Caldwell:

Q. You have local demands from towns in Nova Scotia?—A. Yes. The commission men go there.

By the Chairman:

Q. Are there many potatoes shipped from Prince Edward Island in schooners?—A. Not so many as there was. There was a lot at one time. Of course there are some yet.

Q. Will you explain to the Committee the method pursued in that trade?—A. They go wherever there are wharves. They do not have to haul them far to get a schooner. Some of these schooners take 500 bushels, some 2,000 or 3,000. Perhaps some of them sail for ports in Nova Scotia and Newfoundland.

Q. Who does that?—A. Sometimes a captain does that on his own account.

Q. A captain will come to a wharf with his schooner?—A. Yes.

Q. Will he buy from the neighbouring farmers potatoes with which to load his vessel?—A. Generally the merchants supply them. Sometimes he gets a commission for bringing them in.

Q. The captain is very often the owner?—A. Sometimes.

Q. He will load up his vessel?—A. Yes.

Q. Then he goes and sells them?—A. Yes. Sometimes a merchant will charter a schooner and fill it himself.

Q. And send her away?—A. Send her away, and take his chance on it.

By Mr. McKay:

Q. Do these combines we hear so much about affect you as a shipper in Prince Edward Island?—A. Not on the certified seed. If we were shipping to Cuba, they would.

Q. You are affected by the combine in Cuba?—A. Yes.

Q. Tell us how you are affected by that?—A. They control the Cuban market, or the biggest part of it. They would not sell to the buyers, if they were independents, and if the independents would not supply you, they would have no competition. You have had evidence of wholesalers not selling to certain people. That is the way they control it.

Q. What is your recommendation for a solution of the difficulty?—A. It is difficult I fear to do anything. It is out of our power to do anything.

Q. Would you suggest Government action?—A. What action could the Government take?

Q. We are after information here; we are asking you if you have any remedy to suggest.—A. If we had any control over them we could, but we cannot.

Q. Is there any way you can control them?—A. Look at the debates in the House of Commons. You cannot control the combines in Canada, let alone going outside of it.

Mr. CALDWELL: While this is all very interesting, I would like to get the cost of producing table stock, whether it is profitable or not.

By the Chairman:

Q. Mr. Dewar will address himself to that phase of the question. We will go on to the ordinary table potatoes.—A. We grow table stock. The cost might be reduced as follows: fertilizer $4.20.

Q. Why do you say that fertilizers cost should be reduced?—A. Well, they do not get as big a crop as we do for certified seed. Their average crop is only 180 bushels.

Q. Go on.—A. I am only taking the crop of potatoes we take out of the soil, not depleting the soil, but leaving it in the position it was in before. If you grow a crop, and it is taking something out of the land, if you take that much out, your land is that much poorer.

Q. If you get a smaller yield, you are taking less fertilizer?—A. Yes.

Q. But take the actual cost of the fertilizer you put into the land, you put on as much fertilizer for your table potatoes as for the certified?—A. People growing table stock have not been using as much fertilizer. You can grow better seed with fertilizer than you can with manure. Our people are using as little manure as possible.

By Mr. Caldwell:

Q. I do not think your contention would hold good, that you would take less out of your soil.—A. The smaller crop does not take so much off the soil; the tops go back to the land.

Q. You plough them in?—A. Yes. You will not find them after a little bit. They rot pretty quickly. I have seen people take the tops off, but it is a foolish policy.

Q. Do people not burn them?—A. Yes. I think it is a waste.

Q. You consider there is some fertility in the tops?—A. I am certain there is. I put that on seed at 50 cents per bushel. Seed $4.25. Then treating seed $1.00, spraying $2.00, picking $2.50. That is for a smaller crop, and we do not need to handle them so carefully from the field to the store. For hauling from field and storing $2.00. That makes a reduction of $15.95.

Q. A reduction in cost?—A. Yes. That would leave $59.53 when it is deducted from the other.

By the Chairman:

Q. Would you like to undertake to grow on your land uncertified seed potatoes as low as the costs you are giving here?—A. I think that is well up to the cost to people growing that stock. We have not reduced the cost of labour and the working of the land, it is on the material we have reduced it.

By Mr. Sales:

Q. What is the yield?—A. I put it at 180 bushels. That is a normal yield with us, I think.

By Mr. Caldwell:

Q. Your cost of producing table stock is abnormally low?—A. I believe nearly all our costs are low. I do not believe we could live at all if we did not have lower costs than some of you people have.

By Mr. Milne:

Q. You rather show a little favoritism to the seed potatoes?—A. It costs more to produce your seed, it costs more for fertilizer, it takes more out of the soil, we take about 50 bushels or 60 bushels more out. I am talking about what I actually saw last year, the difference in what I judge the crops to be.

[Mr. A. E. Dewar.]

By Mr. Caldwell:

Q. What do you get for table stock?—A. Last fall we got thirty cents for them.

By the Chairman:

Q. What did they cost to grow?—A. $59.63.

Q. They are sold at a loss?—A. It looks that way, but I think Mr. Leitch had his labour in it. He counted in the interest on his investment, but in the count he would have to make the cost without the interest on his investment.

By Mr. Caldwell:

Q. If you want to make a comparison you have to charge everything up, at the same as the seed. -A. I charged the same overhead on it as I did on the other, but you may think that a man would not make any money in growing that, but he is not getting in any expensive machinery there. We would not have any plant, only a digger.

Q. If he is growing table stock as extensively as the other, he would need the same machinery?—A. Yes.

By Mr. Sales:

Q. If he does not have that machinery, he has to put that much more time in it?—A. It is a question of how much more time he puts in on it.

By Mr. Caldwell:

Q. Do you not treat your seed when you use it for table stock?—A. I do not know of anybody who did it. It would be just as necessary, I think, as the other, but they have not been doing it. It is only since the potato growers got started that they commenced to treat their seed.

Q. You are not charging any cost for treating the seed nor for spraying? —A. He sprays for the bugs.

Q. Do you not spray your table stock as much as the certified stock?—A. No, some of them do not spray at all. They have to spray for bugs. Perhaps they may spray once, and they think that is enough. They do not follow it up.

Q. I think your table stock would show a greater loss if he charged up everything that should be done to it.—A. If he put the same fertilizer on it, and treated his seed, I think he would get just as big a crop. I feel very certain that this seed that has been selected for years and we select it for planting again, and it will give you a bigger stock if you treat it.

Q. If he had certified seed, he would not be treating table stock?—A. You might grow certified seed of Dakota Reds or any other kind, but there is no demand for it.

Q. They are not so subject to discuss as the white ones?—A. No, they are not so subject, but we know some of them that are treating it in about the same manner as the certified seed, and they are getting better crops than the other, for I think if you have the same qualities of seed you would get just as good a crop. I think you could use it for anything.

The CHAIRMAN: We are very much obliged to you. We have enjoyed your presence before the Committee.

By Mr. McKay:

Q. I suppose your farmers are fairly prosperous, are they not?—A. Well, we do not hear what we call the good class of farmers, complaining. They say they are not making money, but there is very little complaining.

Q. That is a pretty general complaint all over the country.—A. Yes, I think it is.

By the Chairman:

Q. You personally have gone in for the growing of fruit?—A. Yes.

Q. What fruit have you gone in to grow?—A. Apples, plums, strawberries and gooseberries.

Q. What sort of apples do you grow?—A. We grow a lot of varieties, but the most I get are Wealthy, McIntosh and Spy.

Q. Can you give us roughly what it costs to produce a barrel of apples? —A. Yes, I can. We have low production costs on potatoes, but we are not that way on apples, per acre, but I think we have higher production costs. At least, I have higher production costs than the rest of them. I have a production cost of $164.75 an acre on apples.

Q. What is that per barrel?—A. It depends on the crop, of course. On my crop for the last two years, it would be about $1.65 a barrel.

Q. Does that include buying the barrel?—A. Buying the barrel.

Q. That is considerably lower than an apple grower said. They said it was about $2.00 a barrel, with the barrel, if I remember right. Mr. Cummings said that, did he not?—A. That is what he says; $2.25 to $2.30 I think he says.

Q. Do you grow the same sort of apples as they do in the Annapolis Valley? —A. Some of them.

Q. You say it is $1.65?—A. $1.65.

Q. What did you get last year for the apples that cost you $1.65 per barrel? —A. They were sold at something over $4.00 a barrel.

By Mr. Sales:

Q. You sell those in Charlottetown?—A. Some in Montreal; some in Newfoundland; some in Charlottetown. I get 100 barrels an acre of them and I think Nova Scotia is only about 60 barrels an acre.

By the Chairman:

Q. I have Mr. Melville Cumming's evidence before me:

> "We might get that in a different way. You stated yesterday that the cost of producing a barrel of apples, plus the barrel, amounted to a little over $2?—A. I said between $2.12 and $2.30, according to the figures I have received.
>
> "Q. And I also pointed out that the memorandum received from the New Brunswick apple people put the cost of producing a barrel of apples at $2. Now, what was the cost in 1913?—A. There were no actual figures, but I remember the popular idea was that the cost of producing a barrel of apples, apart from the package, was in the vicinity of $1."

Now you say that it costs you in the aggregate to produce a barrel of apples, including the barrel, how much?—A. $1.6475. $1.65, it would be.

By Mr. Sales:

Q. At your local station?—A. I get more than $4, for what I sold locally. Some that I sold in Montreal brought me less than $4, but they averaged $4.

Q. $4 net to you?—A. Net to me.

By the Chairman:

Q. It was profitable business?—A. Yes, I am not complaining about it.

Q. That is quite fair. Would you not expect a farmer to go higher than that, to say he is not complaining about it.

Q. Now, what strawberries?—A. We grow some.

Q. Are they paying you?—A. I have no reason to complain about that either.

Q. Will you give us some idea of your costs and what you get for them?—A. I have a statement here that was made by Professor Macoun. It is a statement by fourteen growers in Canada.

Q. We want your ideas about Prince Edward Island?—A. I am going to come to that. There were fourteen growers responded to his question about growing strawberries and the cost of marketing and everything. The first is A. E. Dewar of Charlottetown.

Q. The same gentleman who was with us to-day?—A. My total cost is $406 an acre on strawberries. The next is No. 2, J. Walter Jones, Charlottetown. His cost was $689. James E. Johnson, Simcoe, Ontario. He was No. 14. His cost was $403.

Q. Yours was how much?—A. $406. No. 7, $267, T. G. Bunting, McDonald College. That is one of the lowest.

Q. Have these gentlemen all followed the same methods of accountancy?—A. They give the different costs of different things.

Q. It does not seem to me that it is reasonable that these growers would have differed so very widely as that, if they were following the same method of accounting?—A. There is one man has $50 for rent of land, and some have $25, and one man has as low as $10. That makes a good deal of difference in the cost. I have rented land, $28; preparation of the soil, $5; fertilizer, $46; plants, $28; planting, $12; cultivation, $30; mulching, $24; crates, $37; boxes $37; picking, $125; marketing, $40. Total $406.

By Mr. McKay:

Q. That is your computation?—A. Yes.

By Mr. Sales:

Q. What was your yield and what was your price. How much profit did you get?—A. Well, we ran all the way—last year was the poorest crop I had, about 5,000 boxes, but we have had up to 9,000 and 10,000. When we do not get 8,000, we do not think we get enough.

By the Chairman:

Q. Do you generally think you get enough?—A. When I get 8,000, I think it is just about right.

Q. 8,000 boxes at how much?—A. Well, the price varies.

Q. What is a fair price?—A. I think we averaged about 15 cents last year, but we averaged a lot more than that the other two years.

Q. That is about $1,200 per acre?—A. Somewhere about that.

Q. 8,000 boxes at 15 cents?—A. We did not get 8,000 boxes last year, on account of the weevil. About 5,000 was what we got last year per acre.

Q. What was your profit last year?—A. Probably $350 per acre.

Q. How many acres did you have, as a matter of curiosity?—A. I only had about an acre last year. I used to grow two acres, but I dropped them off some.

By Mr. McKay:

Q. You were making too much money?—A. I do not see any good in rushing yourself to death. An orchard takes a good deal of time. We have plums and gooseberries.

By the Chairman:

Q. I suppose your climate is good for gooseberries?—A. We had a good many gooseberries but they are not as profitable as strawberries.

Q. Are the plums profitable?—A. Yes.

Q. What kind do you raise?—A. For some plums you will get more in the home market than you will in the shipping market.

By Mr. Hammell:

Q. Do you keep any bees?—A. No, but they have them on the Experimental Farm right alongside of me.

Q. I was just wondering if you had lots of honey.—A. The Experimental Farms are not much more than half a mile from me.

Q. Where do you market your strawberries?—A. Nova Scotia mostly.

Q. None to New Brunswick?—A. Very seldom we send any to New Brunswick.

By the Chairman:

Q. What part of Nova Scotia do you send them to?—A. Sydney generally. The home market takes some but Sydney takes the bulk of them.

By Hon. Mr. Sinclair:

Q. In shipping to Cape Breton do you sell f.o.b. Charlettetown?—A. No, I have a commission man who sells them for me.

Q. Have you any idea of the cost of transportation compared with the price you get?—A. If we take all rail by the car ferry, it is $2.05 per hundred pounds. If we go by Pictou, there is a steamer running since two years, we can get them for $1.45 by the Pictou route. It is a shorter route.

By Mr. Sales:

Q. How much do the boxes cost the people who buy them? –I mean to the consumer?—A. It is pretty hard to tell what they cost them.

Q. Have you any idea?—A. I would not have in Sydney. I only know what they sell for wholesale.

By the Chairman:

Q. What would they retail for in Charlottetown?—A. They started in at 30 cents last year. They came down I think to 16 cents. That was the lowest retail last year.

By Mr. McKay:

Q. Have you a canning factory on the island?—A. No.

By the Chairman:

Q. What variety do you find best for shipping?—A. Dunlap's, what we grow mostly.

Q. That is the one thing I grow myself, so I am interested in the method you follow. What method do you follow? Do you put out fresh plants every spring?—A. We generally put out pieces of fresh plants but we generally pick more than one crop up. We have taken five off and sometimes two and sometimes three, according to the condition of the plant. The variety has something to do with it.

Q. When do you set it?—A. In May.

Q. Do you attempt to take any crop the first year?—A. No.

By Mr. Caldwell:

Q. What do you do in case they blossom the first year?—A. We cut them off.

Q. Do you find you get the best crop from the two-year crop?—A. We get usually the best crop.

Q. You do not usually get a good crop the fourth or fifth-year crop?—A. Some of them will not stand as good as the others.

By the Chairman:

Q. Is there a future for "Ever-bearing" strawberries, or is it a fad in your opinion?—A. Not commercially. I think there would be more money in selling the plants than in growing the berries.

By Mr. Caldwell:

Q. On what do you make that deduction?—A. I do not grow them myself, but have been at the Experimental Farm. I know there is not much of a crop on them. If you had a few acres of them, the cost of picking would be out of proportion to what you would get for them.

Q. They are not good for commercial use at all?—A. Not for commercial use.

Q. They have a future for a home garden?—A. If a man wants a few for himself.

The Chairman: We are very much obliged to you and we appreciate all the valuable information you have given us.

The witness retired.

The Committee adjourned until 8 o'clock p.m.

Evening Session

8 p.m.

The Special Committee appointed to enquire into Agricultural Conditions met at 8 p.m., Tuesday, 8th May, 1923, Mr. McMaster, the Chairman presiding.

Heber H. Hatfield, called and sworn. Examined by the Chairman.

Q. Where do you live, Mr. Hatfield?—A. Hartland, New Brunswick.

Q. What is your business?—A. My chief business is produce shipper.

Q. What special line of produce do you handle?—A. Potatoes.

Q. Are you in business yourself or with others?—A. I have an incorporated company, Hatfield & Co., Ltd.

Q. Who owns the majority of the stock in that company?—A. I do.

Q. What proportion of the stock?—A. I own 290 shares out of 495.

Q. What is your capitalization?—A. $49,500.

Q. How much are the shares?—A. $100.

Q. That is 495 shares, and of those how many have been issued?—A. All have been issued.

Q. And you hold how many yourself?—A. I think it is $29,000. 290 shares I think.

Q. Who owns the other 205?—A. Different ones. I could give you the names of the shareholders.

Q. Give me a few of the principal ones?—A. Mr. A. W. Kyle, I think owns 80 shares. Mr. R. K. Tracy owns 20 shares. And M. S. Clark owns 20 shares.

Q. Are these gentlemen associated with you actively in the business?—A. Mr. Tracy and Mr. Kyle are, and Mr. Clark.

Q. And the rest of the shares are scattered around?—A. Yes, among my employees mostly.

Q. The other 100 shares are owned by your employees?—A. Yes.

Q. Describe the method in which you carry on business?—A. We buy from the farmer, who hauls his potatoes in to us in barrels and bags, and they are then put out in bulk and stored in our warehouse, or shipped in cars. They bring them to our warehouses at the different buying points.

Q. Where are your warehouses situated?—A. We have warehouses at Hartland, Upper Woodstock, Debec Junction, Belleville, Lakeville, Centreville, Stickney, Upper Kent, Bath, Kilburn, Andover, Limestone, Grand Falls. That is where our main shipping points are.

Q. Have you any others besides those named points?—A. We buy at different points and load into cars, where we have no warehouses.

Q. These are the main shipping points at which you have warehouses. To whom do these warehouses belong, yourselves?—A. Practically all of them except the Debec warehouse; it belongs to my buyer there.

Q. When you say "we," do you mean the company?—A. Yes.

Q. The company owns 13 out of 15?—A. About 14 warehouses.

Q. And one of your buyers owns another personally?—A. Yes.

Q. Tell us just what you do with the potatoes when you get them at these warehouses?—A. We dump them into the bins, or into the cars if we have a car in. If we are loading at the time the farmer brings them in, we dump them into the car if we are shipping in bulk, but we ship most of our stock in sacks.

Q. Do you do the work of sacking?—A. Yes.

Q. Do you supply the sacks?—A. Yes.

Q. What has the farmer been getting for the last two weeks?—A. About $1.50 to $2.00 per 165 pounds.

Q. And does the farmer supply the package?—A. We supply the package. They haul them in, in bulk, and ungraded, and we do the grading and put them in our bins in bulk, or put them in bags or put them in cars if we have a car at the warehouse at the time.

Q. Then what happens to the potatoes after that?—A. What we put in the warehouse, we load when the market is right, and we consider we can sell them at a price, and ship them wherever we can find a market.

Q. Is that the warehouse at the shipping point or the main central warehouse?—A. No, at the shipping points.

Q. Let us follow the potatoes from the shipping points to the ultimate consumer. What happens to them after they get to the warehouse?—A. Which consumer do you mean?

Q. The consumer that eats them. As far as you can tell us, where they go?—A. It is according to which market they went to.

Q. Quite so. Follow them to the market in Cuba?—A. To Cuba we sack them.

Q. Where?—A. At the shipping point, or sometimes at St. John. We have an export warehouse at St. John.

Q. To whom does that warehouse belong?—A. That belongs to the City of St. John.

Q. How do you happen to have the right to put your potatoes in it?—A. We have it leased for a term of years.

Q. Who has it leased?—A. The G. G. Porter Co. The Furness-Withy Company have it leased from the City, and we have it leased from the Furness-Withy Company.

Q. The warehouse at St. John belongs to the City and it is leased to the Furness-Withy Company?—A. Yes.

Q. And then sub-let by that company?—A. Yes.

Q. To whom?—A. To the G. G. Porter Co., Hatfield & Co., and the C. E. Gallagher Co.

Q. All incorporated companies?—A. I don't think the Gallagher Company is.

Q. But Mr. Porter's and your own are incorporated?—A. Yes.

Q. Who negotiated the lease between the City of St. John and the Furness-Withy Company?—A. The Furness-Withy Company.

Q. What officer in the Company?—A. I think Mr. Ledingham did.

Q. At whose suggestion?—A. We suggested it. We were looking for a warehouse in 1921.

Q. You suggested it to whom?—A. The Furness-Withy Company.

Q. When you say "we" who do you mean?—A. Well; the Association altogether; myself and my associates.

Q. Yourself and your associates suggested to the Furness-Withy Company that they should hire this warehouse from the City of St. John?—A. Yes.

Q. Was there any reason why you did not negotiate for it directly yourself? —A. We thought the Furness-Withy Company or Mr. Ledingham, would have more influence with the City, was about the only reason.

Q. Was there any other reason?—A. I don't know of any other. They were our shipbrokers, the Furness-Withy Company, in St. John, at the time.

Q. Did you each take so many cubic feet of space in that warehouse?—A. No, our foreman decides that when the freight comes in. He puts them in to suit himself. We have a foreman that we pay jointly.

Q. Do you pay according to the number of bushels in the store?—A. We charge a fee for the handing of them and we pay according to the number of sacks that we put through the warehouse.

By the Chairman:

Q. Who fitted up this warehouse?—A. We did, the Porter Company, the Hatfield Company and the Gallagher Company.

Q. Who pays the rent?—A. We do.

Q. What do you pay for it?—A. $100 a year.

By Mr. Hammell:

Q. What is the capacity of the warehouse?—A. I think about 8,000 barrels or sacks.

By Mr. Gardiner:

Q. What is the amount it cost you to fix the warehouse up?—A. I cannot give you those figures. I think it was around seven or eight thousand dollars.

By Mr. Sales:

Q. You have it on a long lease I presume?—A. Five years. We guarantee so many vessels that we pay the top wharfage on for the season.

Q. What does that amount to?—A. The top wharfage amounts to 25 cents a ton, on the tonnage of each vessel.

By Mr. Caldwell:

Q. Is that on the tonnage of the cargo or of the ship?—A. No, of the cargo.

By the Chairman:

Q. How do you pay this foreman, your joint employee?—A. We pay him a salary.

Q. How do you divide it?—A. We keep a separate account with the St. John business and we divide it up. We charge so much a sack and if that does not cover it we divide the balance. We charge up to each separate company what we think will cover the cost of handling the St. John warehouse. Then if that does not cover it we go back and charge extra enough to cover it. He keeps his bank account and hires his men and everything is separate.

Q. Is this a frost-proof warehouse?—A. It is steam heated. We put in a heating plant.

Q. So it is supposed to be frost-proof?—A. Yes.

Q. Are there facilities for any other shipper to house potatoes in this warehouse?—A. No. Mr. Clark ships with us through the warehouse. He has no interest in the warehouse.

Q. How is it that Mr. Clark ships through this warehouse and other people do not?—A. Well he shipped with us for the season. Last season he shipped through the C.P.R. service.

Q. But this season he shipped with you?—A. Yes.

By Mr. Sales:

Q. Is this the same Mr. Clark who owns the 20 shares in your company?—A. No, it is Neilson Clark.

By the Chairman:

Q. Now we have got the potatoes as far as St. John. Do you keep them there until there is a shipload?—A. Yes.

Q. Then they are sent by the Furness-Withy Company to Havana?—A Yes, they do our stevedoring and brokerage.

Q. Do they supply boats of their own line or any boats?—A. We charter the boats. We generally ask them for a price, and if their price is not equal to what we can charter in direct from New York, we charter direct.

Q. And then do they handle the stevedoring for you?—A. In our sub-lease that we have, they are to do the brokerage and stevedoring.

Q. Then the ships with the potatoes on board get down to Havana, and what happens to them there?—A. We sell them, delivered Havana, or c.i.f. Havana, that is cost plus insurance and freight.

Q. To whom do you sell at Havana?—A. To different dealers.

Q. What are their names?—A. J. A. Palaccio & Co; Armando Armand; Frank Bowman & Co; Juan Varela; Antonio Perez; Lopez Pereda; F. Amarel; Escovere & Co., or Elbarie & Co; L. E. Gwynne; Llano Cebrian; Armando Calafat.

Q. Is that the entire list?—A. No, there is some more. Maximo Nazabal.

Q. Is that all?—A. That is about the heft of them.

Q. Have you got an agent on the spot there at Havana?—A. We have a broker in Havana.

Q. And what is his name?—A. A. E. Leon.

Q. Before you had this Mr. Leon, whom did you have as your broker down there?—A. I have always had Leon.

Q. Who was Mr. Manser, was he a broker?—A. He was our adjuster for a time.

Q. Explain the difference between a broker and an adjuster?—A. We have numerous claims in Havana, and we have to have some one to adjust our claims.

Q. Have you anybody now to adjust your claims?—A. Yes sir.

Q. Who is he?—A. Mr. C. N. Clark from Nova Scotia.

Q. He took Mr. Manser's position?—A. Yes.

Q. Whom do you consign these potatoes to?—A. We do not very often consign; we generally sell C.I.F., sometimes we do not get orders, and we have to consign, but we guard against it as much as possible; it is bad business.

Q. When I say consign I do not mean consign in the narrow technical sense, I mean to whom are the goods sent; you try to sell them before they leave St. John, but explain the method of doing business?—A. We always cable down and try to sell.

Q. And try to sell to any of these merchants whose names are mentioned there?—A. Yes.

Q. And these merchants in turn sell to the retail trade I presume?—A. I presume.

By Mr. McKay:

Q. Are these all separate firms you sell to?—A. Yes.

Q. All separate individuals?—A. Yes. They are different groups, but all separate; they do some group buying.

Q. Are these men doing business together in groups, any of them?—A. Some of them are; they do their buying in groups.

By the Chairman:

Q. Could you indicate those who form the different groups so that we may group them together in our minds?—A. They change; they have been changing since January so that I could not give you the correct—

Q. Give us the latest news?—A. Mr. Palacio, Lopez Pereda.

Q. We will star those fellows; J. A. Palacio and Lopez Pereda?—A. And Armando Armand.

Q. I have starred those; those form one group?—A. Juan Varela.

Q. He is in that too?—A. Yes.

Q. Any more in that group?—A. I don't think there is any more in that group.

Q. Is there another group?—A. Yes; Bowman used to be in that group, but he split up in January; he has formed another group.

Q. Tell us who the Bowman group are?—A. The Bowman group Antonio Perez.

Q. Frank Bowman & Co., Antonio Perez, is he a Bowmanite?—A. Yes.

Q. Who else there?—A. When he split away he took in all the independents with him, and then he separated from them again.

Q. A sort of kaleidoscope change?—A. Yes.

Q. You have used the word "independents," Cuba is supposed to have its independence, what do you mean by independents?—A. That is independent buyers.

Q. Are the other fellows not independent?—A. They are in a way.

Q. Explain the difference between those who are independent and those who are not?—A. These four or five in the first group I gave you are the regular potato dealers, that is their chief business.

Q. They are legitimate potato dealers?—A. I believe so; and the other independent buyers they depend on other lines of business for their profit, and they handle potatoes on the side; when it suits them they buy 250 or 500 bags, and when the market does not suit them they do not buy, they depend on the other lines of goods.

Q. They believe in diversified trading?—A. The big groups claim they only buy to draw trade, they sell just what they cost them, that is the reason they do not like to go in with them.

Q. Do you have any representations made to you by the big group that you should not sell to the smaller fry down there?—A. We do, yes.

Q. Do you pay any attention to those representations?—A. No, not very much; we do not now.

Q. Did you at any time?—A. We did; well, they would not allow the independent stuff to go on their ships at first.

Q. They would not allow the independent stuff?—A. They would not buy a cargo from us and allow us to ship to the independent dealers on the same ship, but we are now shipping to both groups on the same ship.

By Mr. McKay:

Q. Since when?—A. Since we broke up the combination, or broke up the group.

Q. How long ago would that be?—A. I could tell you that; I know the steamship very well, *Anna*; I have every one here by steamships, different steamers.

By the Chairman:

Q. We will get to that in due time? -A. That was December 12th we shipped steamer ss. *Anna*.

Q. Prior to that time had you not shipped to the independents when the large group asked you not to? -A. We had not shipped to the independents this season up to that time.

Q. Since that time you have shipped to whom you wished to ship?—A. We sent this ss. *Anna* down with one consignment, and about the same time there was a cargo went in from Prince Edward Island shipped by the Potato Growers' Association, and they slaughtered that cargo, and when our ship got in they were expecting to buy the cargo at a very low price.

By Mr. Caldwell:

Q. What do you mean by slaughtering the cargo?—A. The Potato Shippers' Association that shipped down to the Island, they had a lot of frozen stock and the market was crowded at the time, and there was a lot of Europeans, and that is the reason we could not sell this steamer direct; we shipped, we had a steamer chartered, and we shipped into Havana without being sold, and when it arrived the only offer was $2 duty paid or $2.25, something like that.

By Mr. Sales:

Q. What date would that steamer arrive?—A. About the 20th December or 22nd December; so we had the steamer unloaded on the dock; it is very hot down there, and we put the steamer on the market.

By the Chairman:

Q. When you say you put the steamer on the market that means you put the potatoes that were in the steamer on the market?—A. Yes. At that time the market was crowded, and they commenced to cut prices, and Mr. Bowman and the group had a lot of potatoes on hand, and that was the reason he pulled out from the group.

Q. One would almost gather that the object of that group down in Havana was to maintain prices?—A. I think they try that, yes.

Q. Suppose a man was an independent potato dealer in New Brunswick, how would he get under the present conditions his goods to the Havana market?—A. He has the same chance that we had, chartering a vessel or shipping through Boston; there is a weekly sailing out of Boston every Thursday.

Q. Suppose as a patriotic Canadian he has a desire to sell directly to Cuba; how would he go about it?—A. He can either sell through Boston which has a

weekly sailing, or he can charter a steamer the same as we do; he has that privilege.

Q. You have been able to charter a steamer because you have joined forces with Mr. Porter and Mr. Gallagher, and later Mr. Clark?—A. Yes.

Q. Would one of you alone have been in a position to charter a steamer?—A. Yes.

Q. You would have had enough?—A. Yes, we could charter a steamer, load a steamer any time.

Q. One of you alone?—A. Yes.

Q. Why did you join together?—A. We thought in the best interest in selling to this group or association that was buying, if we each chartered a steamer and each sent a steamer into Havana and each tried to sell a steamer they would work us both together and get the price down.

Q. There was collective buying on one side, and you thought it better to have collective selling on the other?—A. Sure.

Q. I would like you to tell us what you were paying the farmers for potatoes from the 1st October, 1921, to the 1st May, 1922?—A. We started in on the—my summons asked me to give prices of each month on the shipments to Cuba; we started before, August 20th, shipped to the local market, but I have only the Cuba shipments here.

Q. What you were asked to produce was your books of account or extracts therefrom showing (1) the price you paid to producers for potatoes each month from October 1, 1921, to May 31, 1922?—A. I can give you that; I have got it from August 20, 1921.

Q. Then (2) the cost of transporting the same to Cuba, and (3) the price received—perhaps you would put them all together?—A. I have it on each steamer we shipped, and I took the buying price about ten to fifteen days before the steamer sailed, and took it right through the season, and it cost, getting them to St. John, cost of sacking and everything on each steamer, and what the steamer sold for in Havana, and what the goods cost to deliver; I have a sheet for each.

Q. Have you got a copy for me, or do you need that in giving your evidence?—A. Yes, I can give you a copy. (Produces).

EXHIBIT No. 144

No. 1 SS. *St. Mary* Sept. 20

Price sold Havana per 180 lb. sacked C I F..	$5 00	$5 00
Price paid producer from Aug. 20 to Sept. 10 $2.75 per 165 lb. sacked 180 lb..	3 00	
Cost sorting, handling and sacking through warehouse..	15	
Sacks and twine..	15	
Interest, bank charges, insurance, overhead..	08	
Railway freight terminal charges..	48	
Warehouses expenses resorting, shrinkage West St. John..	08	
Ocean freight and top wharfage..	1 02	
Marine insurance..	02	
Brokerage inspection Cables Havana..	10	
		$5 03
Number of packages shipped..		3,333

Shipped from Hartland.
Upper Woodstock.
Kilburn.
Upper Kent.
Hale.
Peel.
Andover.
River de Chute.
Muniac.
Stickney.

Q. Let us take your first statement, which we will refer to as Exhibit 144; this represents I understand a shipment on the steamship *St. Mary* which sailed from St. John on the 20th September?—A. Yes.

Q. And you say the price sold at Havana for 180-pound sacks cost insurance and freight paid was $5?—A. Yes.

Q. You say that you paid the producer from August 24th to September 10th $2.75 for one 165 pound sack, 180 pounds $3?—A. Yes, that varies, that price of $2.75, the market was fluctuating then, and we paid all the way from $2.50 to $3.25 in that period to the producer, and I averaged that at $3 for 180 pounds, or $2.75 for 165 pounds.

Q. Have you done this averaging all through?—A. Yes, it is generally the same price, but in the fall the price started very high that fall, it changed very rapidly.

Q. Just how did you average that price, just what arithmetical process did you go through to arrive at that?—A. I took the different loading points, as near as I could figure it out it was about $2.75.

Q. How did you figure it out?—A. I just put it down $2.75 from taking the different points.

Q. You must have made some calculation; how did you arrive at $2.75?—A. I took the different loading points that we were buying at, and we paid on August 20th, I think we started it at $2.50, and then we got down before September 10th to $2.25 I think.

Q. Did you estimate what amount of potatoes you bought at the higher price, and what amount you bought at the lower price?—A. No, I did not.

Q. Your calculation is not worth very much unless you do that?—A. No, but it is—

Q. You might get a totally wrong figure unless you carefully estimated what you got at the high price and what you got at the low price?—A. The price of that would not be right to the cent.

Q. You as a business man will see that I am right when I state that that is not the way to average a price, in order to get the correct average you would have to take not only the prices at which you bought, but the quantities you bought at different prices?—A. I understand.

By Mr. Hammell:

Q. Did you buy as many at the high price as you did at the low price?—A. Practically the same, practically as many.

Q. Then that would be practically correct.

By the Chairman:

Q. Can you say that you bought—?—A. We did not have time with our office staff, unless we quit business to go into that and find out that, in the time I had to get here.

By Mr. Hammell:

Q. You are quite sure you bought as many?—A. Yes.

Q. Practically as many at the high price as at the low price?—A. Yes.

By the Chairman:

Q. How many did you buy at the high price and how many did you buy at the low price?—A. That would be impossible with so many warehouses it would be impossible for me to make a statement.

Q. This is an estimate?—A. Yes.

Q You believe it to be accurate?—A. I believe so, yes.

By Mr. Sales:

Q. $2.75?—A. Yes.

By Mr. Hammell:

Q. 165 pounds?—A. Yes.

By the Chairman:

Q. Does that make 180 pounds $3?—A. Practically.

Q. $2.75 for one 165 pounds, and for 180 pounds $3.

By Mr. Gardiner:

Q. For what price were they sold in Cuba?

The CHAIRMAN: $5.

Mr. GARDINER: What was the cost of transportation?

The CHAIRMAN: Cost of sorting and handling and sacking through the warehouse 15 cents, that is per 180 pounds I presume.

WITNESS: Yes.

By the Chairman:

Q. How do you estimate that 15 cents?—A. That is low. We have an average cost of what it costs us at all our loading points, and it is just 15 cents difference. Part of those goods were not sacked. So I made it low enough; part of those goods were not loaded through warehouses, but our average cost of handling potatoes through all our buying, whether it was bought on the siding or went direct into the car from the farmer's teams, or whether they went through the warehouse and dumped and resorted once or twice was 15 cents. Some warehouses were as high as 28 cents and some as high as 18 cents, and some as high as 20 cents.

Q. Where you were able to load them right from the farmer's waggon into the car—?—A. It was all the way from 5 cents to 8 cents.

Q. You put 15 cents as a fair average to take?—A. That was our average; we figured that up.

Q. And sacks and twine 15 cents; interest, bank charges and overhead insurance 3 cents; what is the difference between interest and bank charges?—A. Interest we pay on our loan to carry on our business.

Q. What are the bank charges?—A. The bank charges would be exchange on our drafts.

Q. And your insurance?—A. Insurance would be at our warehouse.

Q. Then the railway freight terminal charges 48 cents, what do the railways do for that?—A. They house them at St. John and unload the potatoes.

Q. Warehouse expenses, resorting and shrinkage west St. John, eight cents, how do you arrive at that average?—A. That is what it cost. We estimated the cost of rehandling at St. John.

Q. How do you make that estimate?—A. We have had to do a lot of coopering and re-sorting and our expenses at St. John, the heat—of course there was no heat at that time of the year, but there were different charges.

By Mr. Hammell:

Q. Rent of your warehause?—A. Yes, we keep a crew, our warehouse is small; the C. P. R. when they unload them only pile them four high; we cannot get the truckers to pile them any more than four high, and we pile them eight high in order to get the shipment into our warehouse, and we have to do extra piling.

Q. You have marine insurance 2 cents, and your brokerage, inspection, cables, Havana, 10 cents?—A. We pay our brokers 5 cents.

Q. What does the inspection cost?—A. The inspector and adjuster we pay him 3 cents.

Q. And 2 cents for the cable?—A. Yes.

Q. Do you think that is a fair allowance?—A. It would be low enough.

Q. You estimate you lost money on that shipment?—A. Yes, we lost money on every shipment I guess that year.

Q. Total expenses were $5.03?—A. Our total losses on potatoes that year were $27,000, 1921-22; the loss and gain account on potatoes was $27,000 odd.

By Mr. Caldwell:

Q. To go back to your cable charges, about 2 cents a sack for cable charges?—A. 2 cents a sack, that is.

Q. How large are your shipments, about 10,000 sacks?—A. Our shipments would not be over, we shipped 3,333 on that steamer.

EXHIBIT No. 145

No. 2 SS. *Commodore Rollins* Oct. 3

Price sold Havana per 180 lb., sacked C. I. F.		$5 00
Price paid producer from Sept. 10 to 20th $2.40 per 165 lb. sacked equal 180 lb.	$2 60	
Cost sorting, handling and sacking through the warehouse	15	
Sacks and twine	15	
Interest, bank charges and insurance overhead.	03	
Railway freight and terminal charges	50	
Warehouse expenses resorting, shrinkage W. St. John	08	
Ocean freight and top wharfage	1 18	
Marine insurance	02	
Brokerage, inspection Cables Havana	10	
Damage claim	1 10	
		5 91
Number of packages shipped		3,010

Shipped from Hillside.
Aroostook Jct.
River du Chute.
Stickney.
Grand Falls.

Q. Let us take the next which will be Exhibit 145; shipment by the S. S. *Rollins,* sailing from St. John the 3rd October?—A. Yes sir.

Q. They sold at Havana for $5.00 C.I.F.?—A. Yes.

Q. Now we have got the prices paid the producers from the 10th of September to the 20th of September, amounting to $2.60; that again is an estimate?—A. Yes. These prices ran all the way from $1.75 to $2.75 at that time.

Q. From $1.75 to $2.75?—A. Yes.

Q. Within ten days?—A. Yes, sir.

Q. The price oscillated to that extent?—A. Yes.

Q. Would it oscillate at the same point to that extent?—A. Yes. At that point the price started high, but the market continued down for the first part of the season.

Q. Would that price be explained by the fact that the farmers would bring in to some of these points potatoes to sell to a smaller dealer, and in order to get the potatoes away from that smaller dealer you would have to pay a particularly high price at that time?—A. No. We pay the price on the market every day.

Q. On all markets every day?—A. All markets, Montreal, Havana, United States markets. We were shipping everywhere at that time.

Q. You made a loss of 91 cents on this shipment?—A. Yes. We had a heavy claim on that shipment.

Q. Of $1.10?—A. Of $1.10 per sack.

Q. If you had not had that damage claim, you would have made a small profit?—A. Yes.

Q. Per sack?—A. Yes.

Q. What was that damage claim?—A. The goods went bad. The stock was too green, they claimed. It was early in the season.

Q. Where did they go bad, on the voyage to Cuba?—A. On the voyage to Cuba, yes.

Q. Take the next now, which will be No. 3, and make that up. You made a loss on that of 42 cents, and the damage claim was how much?—A. The damage claim was 72 cents.

EXHIBIT No. 146

No. 3 SS. *Smaraged* Oct. 10

Price sold Havana per 180 lb. sacked C. I. F.		$4 35
Price paid producer from Sept. 20th to Oct. 5 $1.85 per 165 lb. equal 180 lb.	$2 00	
Cost sorting, handling and sacking through the warehouse	15	
Sacks and twine	15	
Interest, bank charges and insurance overhead.	03	
Railway freight and terminal charges	50	
Warehouse expenses resorting, shrinkage W. St. John	08	
Ocean freight rate and top wharfage	1 02	
Marine insurance	02	
Brokerage, inspection Cables Havana	10	
Damage claim	72	
		4 77
Number of packages shipped		3,000

Shipped from Upper Woodstock.
Otis.
Andover.
Currie Siding.
Mont Joli.
Martin Siding.
Stickney.
Aroostook Jct.
Morril Siding.
Hillside.
Poitras Siding.
Lakeville.
Grand Falls.
Balfleur Siding.

By Mr. Hammell:

Q. Was that per sack?—A. That was per sack.

By the Chairman:

Q. Who made that claim?—A. All our consignees in Cuba. I have the claim papers on the file here.

By Mr. Caldwell:

Q. Did the potatoes go bad?—A. Yes, they went bad. I think that is very probable, when we lost $27,000.

By Mr. Sales:

Q. How is it you look so cheerful about it?—A. We get used to it. I have these claim papers somewhere, but I cannot find them.

By the Chairman:

Q. We need not delay while you are hunting these papers.—A. I will find them afterwards.

Q. You will be able to look them up?—A. Yes.

Q. Taking the next, which will be No. 4, October 21st, per ss. *Mongolian*, I see the price paid the producer from October 10th to October 15th was $2.10?—A. That is per 180 pounds. The price ran from $1.75 to $2.00.

EXHIBIT No. 147

No. 4 SS. *Mongolia* Oct. 21

Price sold Havana per 180 lb. sacked C. I. F.		$4 10
Price paid the producer from Oct. 10th to Oct. 15th per 165 lb. $1.75 to $2.00 equal 180 lb.	$2 10	
Cost sorting, handling and sacking through the warehouse.	15	
Sacks and twine.	15	
Interest, bank charges and insurance overhead.	03	
Railway freight and terminal charges. . . .	50	
Warehouse expenses resorting, shrinkage W. St. John.	08	
Ocean freight and top wharfage.	1 02	
Marine insurance.	02	
Brokerage, inspection Cables Havana.	10	
		4 15
Number of packages shipped.	4,000 sax.	
	500 bbls.	

Shipped from Grand Falls.
Hartland.
Millville.
Upper Kent.
Bath.
Grand Falls.
Kilburn.
Val Brillant.
Hillside.
Lakeville.
River Du Chute.
Cote Siding.
Debec Jct.
Andover.
Aroostook.
Andover.
Centreville.
Mont Joli.
Mont Joli.
Otis.
Grand Falls.

Q. If you got the great bulk of your potatoes at $1.75, $2.10 would be too much for your estimate, would it not?—A. Yes.

Q. The whole value of these figures depends upon your estimate being correct; it is not an arithmetical calculation, it is a mere estimate?—I did not have time to get them. I took my stock book, and got the figures as nearly correct as possible.

Q. Did you take all the different points at which there were different prices, add them up, and divide by the number of points?—A. You can see the points where we loaded the stock at, at the bottom there.

Q. Let us follow this through. Take No. 4, which is Exhibit No. 147, Grand Falls, how many did you get there, and what price did you pay?—A. I think there was one car loaded there. In this statement I have not taken the stock in. Probably there was $3 stock put into it. We take stock in, put it into the warehouses, and then ship it out in ten or twenty days. I am allowing the price ten days before the steamer sailed, the prices we paid.

Q. Let us make up a statement in another fashion, which I think will be perfectly fair. The price at Havana on the 21st of October, or when the ss. *Mongolian* got to Havana—when would she get to Havana in the ordinary course?—A. In about nine or ten days.

Q. Would it be as long as that?—A. Yes.

Q. Let us say on the 30th of October, 1921. You were selling these potatoes in Havana at $5 for a 180-pound sack?—A. $4.10.

Q. Look at the book and tell us what you were paying for potatoes that very same day?—A. That would be different. We have to buy potatoes before we can deliver them in Havana.

Q. And you might possibly sell against the purchase?—A. No.

Q. Let us take this day. It may be fair, or unfair, but we will see where it will get us.—A. Take No. 5. On the 31st of October we sent another shipment.

Q. Try and meet my views for the time being, and tell me what you were paying for potatoes on the 30th of October, 1921?—A. We paid $1.50.

Q. $1.50?—A. Yes.

Q. That was what you paid the farmer?—A. That was at one point.

Q. What point was that?—A. Hartland.

Q. At Hartland on the 30th of October, 1921, you were paying $1.50 for potatoes?—A. Yes.

Q. You sold 4,000 sacks and 500 barrels on or about the 30th of October, 1921 at Havana. We will put that down. At Hartland on that same day you had to pay $1.50 for potatoes?—A. Yes.

Q. Did the price differ at other points that day?—A. I don't think it would differ very much.

Q. Well, just look and see; were there any points lower?—A. I have Centreville here at $1.50 and $1.70.

Q. How many did you buy at Hartland that day at $1.50?—A. 5,455 pounds.

Q. What does that mean in sacks? —A. That would be about 40 sacks.

Q. Now take the next; you said Centreville.—A. We did not buy on the 31st of October in Centreville.

Q. Call it the 30th, if you like.—A. On the 27th of October was the last in Centreville.

Q. I took the 30th of October as the date on which you sold potatoes in Cuba, and I am trying to find out what you paid for potatoes on that very same day. You say you bought 40 sacks at Hartland at $1.50? A. Yes. I do not see any other point on the 30th. On the 28th I have Andover $1.50.

Q. Would it be fair to take $1.50 as an average price at which you could buy potatoes on the 30th of October? A. Probably, yes. I bought some in Quebec. I think I can give you that. Most of the stock that came in that day would come from Quebec. We bought at sidings. We had an idea that the market would go up, and we stocked up our warehouses, but it went the other way.

Q. That is a risk we all run when we are in business? -A. We paid 56 cents a bushel at Mont Joli, Quebec.

Q. What does that mean by sacks? Are you satisfied, Mr. Hatfield, to take $1.50 as the price which you could buy potatoes for on the 30th of October, 1921?—A. Yes.

Q. Let us see how that would work out. There is the cost of sorting, handling and sacking, 15 cents; is that right?—A. Yes.

Q. Sacks and twine?—A. Yes.

Q. Interest, bank charges, insurance and overhead 3 cents?—A. Yes.

Q. Railway freight and terminal charges 50 cents. There is only 48 in this. Why did you go up to 50? A. Some of those are from Quebec, and there is a much higher freight rate.

Q. Eight cents warehouse expenses, re-sorting, shrinkage, etc., ocean freight from top wharfage $1.02; how is your ocean freight calculated?—A. $1.00 for ocean freight.

Q. Does the ocean freight charge you so much per ton?—A. So much per 180-pound sack.

Q. Two cents for marine insurance?—A. Yes.

Q. What was your insurance rate?—A. I could not give you that.

Q. Why do you say two cents?—A. My bookkeeper told me that that would be about the average rate we paid.

Q. Isn't that a heavy rate?—A. We have tramp steamers, and the rate is heavy. On the fruit boats we do not have to pay such a high rate.

Q. Brokerage, inspection and cables, 10 cents. That amounts to how much? —A. $4.15.

Q. What did you say that was?—A. $4.15.

Q. I thought it was $3.55?—A. You are figuring on $1.50?

Q. Yes, that is what I am figuring on.—A. On October 31 it was $1.75 and $2.10.

Q. You and I were following out another line of investigation, I don't know whether it is fair or not, that is a question. What I want to point out to you is that when you were selling in Cuba for $5 per barrel of 180 pounds you could have got potatoes that day in New Brunswick for $1.50?—A. No.

Q. That is what you told me.—A. No, not $5, $4.10 that steamer was sold at.

Q. You are right. Where you were selling in Cuba on the 30th of October for $4.10, those potatoes could have been replaced by you and brought down to Cuba as of that date for $3.55, a profit of 55 cents?—A. Yes. But we had to buy the potatoes.

Q. Yes, before you sold them.—A. And ship them to Cuba.

By Mr. Sales:

Q. The potatoes you were buying would get to Cuba in ten days or two weeks?—A. They would not be delivered in Cuba for 15 or 20 days.

By the Chairman:

Q. Let us look at what the price was ten days afterwards in Cuba. Take No. 5, ss. *Uffee*, which will be Exhibit No. 148. That shows that potatoes were selling in Cuba at $4.10 on the 31st of October?

EXHIBIT No. 148

No. 5 SS. *Uffee* Oct. 31

Price sold Havana per 180 lb. sacked C. I. F.		$4 10
Price paid producer from Oct. 15th to Oct. 25th per 165 lb. $1.75 equal to 180 lb.	$1 90	
Cost sorting, handling and sacking through the warehouse	15	
Sacks and twine	15	
Interest, bank charges and insurance overhead.	03	
Railway and terminal freight charges	48	
Warehouse expenses resorting, shrinkage W. St. John	08	
Ocean freight and top wharfage	1 02	
Marine insurance	02	
Brokerage, inspection and Cables Havana	10	
		$3 93
Number of packages shipped	4,000 sax. 526 bbls.	

Shipped from Bath.
Hartland.
Kilburn.
Limestone.
Hartland.
Bath.
Grand Falls.
Martin Siding.
Debec Jct.
Grand Falls.
River Du Chute.
River Du Chute.

Fredericton Jct.
Bath.
Muniac.
Val Brillant.
Centreville.
Lakeville.
Val Brillant.
Mont Joli.
Cote Siding.
Grand Falls.
Andover.

By Mr. Sales:

Q. Those potatoes were bought on what date?—A. They were bought from the 15th to the 25th of October.

By the Chairman:

Q. Now, Mr. Hatfield, you told us a moment ago that potatoes took 9 or 10 days to get down to Cuba?—A. Yes.

Q. I suppose it took some time to get them from the shipping point to St. John, where they were loaded?—A. Yes.

Q. And the boat would take a few days to load?—A. Yes.

Q. Was that the boat that sailed on the 31st of October?—A. It sailed on the 31st.

Q. It would not get down there until the 10th of November?—A. No.

Q. You see my difficulty, and I will be plain with you. We have just made a calculation which shows that on the 30th of October you were buying potatoes at a price at different points of $1.50 per barrel?—A. $1.50 and $1.70 I think.

Q. Did potatoes go up after the 25th of October, or did they go down between the 25th of October and the 30th of October?—A. They went down.

Q. How far?—A. To $1.50.

Q. What different prices did you pay to the producers between the 15th of October and the 25th of October at these points? Look up your books and see?—A. From the 15th to the 25th of October?

Q. Between the 15th and the 25th?—A. We paid at Bath $1.75 and $1.80 on the 25th of October, and from the 14th to the 25th we paid $1.75.

Q. That is, from the 15th to the 25th you paid $1.75; is that right?—A. Yes.

Q. How many did you buy?—A. On the 14th we bought 41,660 pounds.

Q. At Bath?—A. Yes. On the 15th we bought 12,670 pounds, on the 17th we bought 14,130 pounds, and on the 19th we bought 27,145 pounds.

Q. All at $1.75?—A. All at $1.75. On the 25th we bought 68,600 pounds, some at $1.75 and some at $1.80.

Q. How many sacks would that be in all?—A. I could figure that out.

By Mr. Caldwell:

Q. Why did you put them into barrels?—A. We put 180 pounds in a barrel.

By the Chairman:

Q. Take No. 5, ss. *Uffee,* that boat would arrive in Havana about the 10th of November?—A. Yes, sir.

Q. You got $4.10 a sack?—A. For a 180-pound sack.

Q. Tell us what you were paying at a few of the points upon that date?—A. On November 10th?

Q. Yes, on November 10th.—A. On November 12th at Upper Woodstock we paid $1.50 and $1.75. Those are probably different report sheets, but they

came in on the 12th and were entered in the books on the 12th. Upper Woodstock, that would be November 10th. At Andover we paid $1.50 on November 10th, and at Limestone we paid $1.75.

By Mr. Gardiner:

Q. Why the difference in price between one point and another?—A. Competition. We paid the market price at the different points. They get bucking down there once in a while.

By the Chairman:

Q. Who gets bucking, the producers?—A. No, the buyers. The different dealers buck against one another.

Q. To see who can give the producers the best price?—A. To see who can get the most potatoes.

By Mr. Sales:

Q. Who is doing all this bucking?—A. Mr. Porter, Mr. Gallagher and probably Mr. McCain.

By the Chairman:

Q. Do you suggest that Mr. Gallagher, Mr. Porter and Mr. Hatfield compete against each other?—A. Yes.

Q. When buying potatoes?—A. They are the sharpest competitors there are for buying potatoes. Mr. Porter is my worst competitor.

Q. And after you get the potatoes, the lion and the lamb lie down together?—A. We have to save ourselves.

By Mr. Sales:

Q. Tell us the place where you bought at $1.75.—A. That was at Limestone, I think.

Q. At Andover, where you paid $1.50, who buys there?—A. Mr. Porter and myself.

Q. Anybody else?—A. Nobody else.

Q. You paid $1.50 there?—A. We did that day.

Q. And where Mr. McCain is you paid $1.75?—A. I do not know who would be buying there. He has no house there. I think Mr. Gallagher, Mr. Porter and ourselves own the houses there.

Q. He buys from the cart?—A. I think at that point, yes. There has been no one buying at Andover except Mr. Porter and ourselves. I think Mr. McKane has a house rented, but I am not sure; I would not say for a fact.

By the Chairman:

Q. You testified I think that from the 1st of October, 1921, to the 1st of May, 1922, your business operations were somewhat disastrous, and you lost $27,000?—A. Yes sir. I can give you our Loss and Gain sheet for that period. The amount was $27,557.48. I can give you the houses where we lost the money, the buying points. We lost at our Hartland warehouse $1,441.70.

Q. That was right under your own eyes?—A. Yes. Upper Kent $549.16.

Q. Let me interject a question here. How can you determine at what points you lost these sums of money, when as a matter of fact a great deal of your stock was taken down to Cuba and sold there in collective fashion?—A. Well, when we are buying potatoes at a warehouse, we charge all the potatoes and all the expenses up to that warehouse, and when we are shipping to Cuba, to Montreal or to the United States we credit the returns to that warehouse, and the difference shows the loss or gain at that warehouse. We get accurate figures at those points.

By Mr. Sales:

Q. Is it the fact that you paid too much money at these stations?—A. No, there was a good many things entered into that. One fact was that our potatoes were hollow hearted in 1921-1922. Another fact is that we stored a lot of potatoes and the market went down and we lost a dollar and a dollar and a quarter a barrel on those. Our loss in Cuba alone was $11,902.84.

By the Chairman:

Q. Where did you take this unfortunate loss from? Out of reserve?—A. Yes.

By Mr. Caldwell:

Q. Your big loss was on what you bought and stored for a higher price, when the market went down?—A. Our first loss was in Cuba. If you take our shipments out of our warehouses alone, it would be more than that; but I figure from the price we paid for every steamer. Probably we would ship part of these potatoes on this steamer, buying them from the farmers at the market price, and the other part we would take out of the warehouse, which cost us a dollar a barrel more. Wherever we had more stored, our loss was more. At Upper Woodstock our loss was $6,631.31. At our Hartland warehouse we had a loss there, but we shipped a lot of seed from there to Ontario and the Southern States, on which we made a good profit. Our losses altogether on potatoes would have been heavy if we had not made some of it up.

By the Chairman:

Q. Passing from that to the next year. From October 1st, 1922 to March 31st, 1923, do we have a more cheerful account of that season's operations, Mr. Hatfield?—A. I hope so. I can give you more exact figures on our buying this year. I have here the market reports on Cuba if you would like to see them.

Q. I don't think so. We will pursue this line of investigation first.—A. Do you want the copies?

EXHIBIT No. 164

No. 1 SS. *Bryssel* Sept. 14/23

Price sold Havana per 180 lb. sacked C. I. F.		$3 00
Price paid the producer from Sept. 5th to Sept. 10th per 165 lb. 75c to 80c. equal 180 lb.	$ 85	
Cost of sorting, handling and sacking through the warehouse	15	
Sacks and twine	15	
Interest, bank charges and interest overhead.	03	
Railway freight	35	
Warehouse expense, resorting, shrinkage W. St. John	10	
Ocean freight, ventilation and top wharfage.	73	
Marine insurance	02	
Brokerage, inspection and Cables Havana	10	
Damage Claim	70	
		$3 18
Number of packages shipped		3,000

Q. If you have them. On No. 1 of this year, ss. Bryssel September 14th, 1922, you obtained $3 for those potatoes in Havana and you say it cost you $3.18?—A. Yes, there was a damage claim there of 70 cents.

Q. That took the heart out of your profit?—A. Yes.

Q. What was the value then?—A. Frost got into that shipment. We had frost very early.

Q. But they were sent in an ocean, ventilated boat?—A. Yes.

By Mr. Caldwell:

Q. Were they not frosted overnight on the ground?—A. Yes, frosted on the ground.

Q. Frosted on the ground and it did not show?—A. Yes, that was the cause of it.

By the Chairman:

Q. To try to shorten our story, what were your operations that year, or that shipping season?—A. What do you mean, operations?

Q. You told us in the last year's operations you lost $27,000.—A. I couldn't get you accurate figures on that because we have not made up our account for the year, but we have a re-cap. here.

Q. That is a recapitulation?—A. Yes, of these different ships.

Q. What does that show?—A. That shows $2,965.84 of a profit.

Q. On a turnover of what?—A. It figured out 6·8 cents per sack.

By Mr. Caldwell:

Q. That is on your operation up to last March?—A. On our operation up to the 20th March which was our last vessel. Since the 20th March, we have had a little more profit.

By the Chairman:

Q. Let us have the happy circumstances as well as the doleful ones.—A. Well our last steamer, we didn't make this on the market, we had these potatoes stored at $1 a barrel and the price came up, and we made probably 75 cents a sack on these.

Q. On how many sacks?—A. 3,000 probably. No, 1905 sacks would be my proportion. The last two ships I think we made. The ship after the 1st April and the last ship. Of course we paid the higher price for our stuff.

Q. When you started this frost-proof warehouse in St. John, you had thought first of getting the Government to build a frost-proof warehouse to be used by everyone?—A. Yes.

Q. That was your first idea?—A. Yes.

Q. You had some correspondence with Mr. Caldwell along those lines?—A. Yes.

Q. To see what he could do as a gentleman representing a growing constituency, to get a Government grant and put in a frost-proof warehouse at St. Johns.—A. Yes.

Q. I think the idea then was that that would be a public warehouse and that all persons who were interested in shipping potatoes would have access to it?—A. Yes.

Q. From some of the correspondence I have seen, Mr. Hatfield, I judge you cooled off about that proposition somewhat?—A. Yes.

Q. Could you tell us why you did it and what steps you took?—A. I took it up with Mr. Caldwell in the spring of 1921, I think, and probably 1920, I don't know just what date.

Q. The letter I have in front of me is the 25th February 1921.—A. Mr. Caldwell said he believed the Government would build the warehouse, but we had no promise of it and it didn't look as though we were going to get any warehouse to handle the large crop of potatoes we had in 1921, and we found

this warehouse not being used, on the wharf at St. John, and we went ahead and fixed it up, and leased it. Otherwise we would have had no facilities in West St. John to handle potatoes in 1921-22.

Q. When did you make your deal for the warehouse at St. John?—A. In October. I don't know just what date. I think it was early in October, 1921. It would be earlier than October, it would be along in September, I think. The Furness-Withy Company leased it in August probably.

Q. At your suggestion, as you stated?—A. Yes.

By Mr. Caldwell:

Q. You say if you had not fixed this up you would not have had a warehouse in 1921?—A. 1921 and 1922.

Q. Don't you remember getting a letter from me early in June, saying that the Government would build it, if you would furnish the plans?—A. Yes, but I have your speech in the House of Commons in 1922, where you say you are urging the Government to take action to build this warehouse.

Q. Yes, I did, but when they did not get the plans they did not go ahead with it. They told me if I would get the plans they would build it, and I wrote you for the plans and you promised to send them but did not. Isn't that right? —A. The plans, yes, I believe that is right; but we had already leased the warehouse.

Q. In June at the time I wrote you?—A. I believe so. It was under way. I don't think it was signed.

Q. I have your reply to my letter, telling me that you will furnish the plans. I think the Chairman has it if he will read it.—A. I believe the lease was under way.

Q. Your letter did not indicate that you had a warehouse leased?—A. No, but the lease was under way by Mr. Porter. I didn't know at the time.

Q. You did not know in June?—A. I would not say what date it was. The lease will show. There was a debate in the House of Commons on April 10th, 1922 where you are asking the Government to go ahead with this warehouse, and telling them about our having one built.

By the Chairman:

Q. On the first days of May your idea was that the matter better be left over until the beginning of the year. That was the beginning of the year 1922. Apparently you changed your mind after that and thought it best to get a warehouse for yourself.—A. After the Government would not build a warehouse when we asked them, we were not fussy about the warehouse, still we were not against it.

By Mr. Caldwell:

Q. But the Government offered to build it, if you furnished the plans?—A. Well, I didn't have plans to furnish, I thought it was up to the Government to furnish plans.

Q. What they asked me to get was the size it should be. I don't know that they wanted a plan of the building, but an estimate of the size, the material from which it could be built, and the possible cost; and knowing that you are accustomed to building these warehouses I wrote you for that and got a reply that you were consulting with two other shippers, and he would be very glad to furnish the necessary information. I also got a copy of the letters written to the others shippers, asking for this information and commending me very highly for getting this done. I wrote you saying that the House would

prorogue very soon and unless I got the information at once it would be useless, and you wrote me then saying that you would not know until the first of the year.—A. Well that was after we knew we would be able to get this other house. We had it up in the city of St. John and we didn't know when we were going to get it. But after we got it we were not so anxious then about the other.

Q. Is there not another feature of it, because it is quite an expenditure to put up $8,000 for a warehouse when you are losing money on your shipments. —A. We didn't expect to lose money or we never would have done it.

Q. But having it fitted up you would own and control it?—A. Yes, in a way.

Q. And there would not be any other frost-proof warehouse?—A. We were still anxious for the other warehouse. Ours wasn't big enough for us. We have been using the Government warehouse since it was built.

Q. I know Mr. Porter went after me pretty hard for getting the second one last summer?—A. I don't know about Mr. Porter.

Q. Well, I do.—A. I don't doubt that.

By the Chairman:

Q. As a matter of fact, Mr. Hatfield, would it be unfair to you to state that although you were rather keenly interested in the idea of a frost-proof Government warehouse, that after you found out that you could make arrangements for a frost-proof warehouse for yourself and your associates by yourselves, that your interest waned somewhat in the proposition?—A. Sure.

By Mr. Caldwell:

Q. You thought it was a better proposition to have it by yourselves, to own it and control it?—A. We had already fitted it up. When the Government would not fit it up we went to a heavy expense to fit it up. If we hadn't done it we wouldn't have had anything. You tried hard enough and then you were trying again in April 1922, you were going right after the Government according to that speech.

Q. Yes, and I got it through. Now I will tell you, our aim is to try to assist in the marketing of the crop if we can. We have had evidence last year before the Transportation Committee that the farmers last year and the year before have not got more than fifty per cent of the actual cost of the crop?—A. That is right.

Q. Do you think they have done better than that this year?—A. No, they have not done as well.

Q. Now this Committee was appointed to investigate these things and to see whether this could be made to pay. It was suggested that the Government should put a line of steamers sailing regularly out of St. John. What would you say of that?—A. It would be the worst thing for us that you could do.

Q. In what way?—A. There are a bunch of buyers down in Havana that you cannot control and if you put on a regular sailing there would be just one buyer, and one shipper in New Brunswick beating the other fellow and that would come back to the farmer. We had two combinations shipping to Havana this fall and we lost money, and it all came back to the farmer. Mr. Estey had a combination or an association.

By the Chairman:

Q. Association is the nicer name?—A. Yes—association of shippers with him, and we had an association of shippers, we shipped out of St. John and Mr. Estey would quote five cents lower than us, and then they would get Mr. Estey's prices and our brokers in Havana were just trying to see how much

they could sell and they were beating down the price all the time, and we were lowering the price to the farmer in turn.

By Mr. Caldwell:

Q. Would you quote under Mr. Estey again?—A. Yes, and we were driving the price down to the producer all the time.

Q. Are you still doing that?—A. No.

Q. What conversion did you have?—A. I saw we were spoiling our market for the producer, and we have to watch the American market, because the American market is the big competitor with us in Cuba; they have a regular sailing out of Boston, and they have a regular sailing out of New York, and they have a regular sailing out of Norfolk, the second crop in Virginia, I saw we were putting the price down, we were still beating the farmers by competing in Cuba with the association down there of buyers.

By the Chairman:

Q. And incidently were beating down your own profits?—A. Yes.

Q. I suppose you thought of that as well as the producers?—A. Sure we did.

By Mr. Caldwell:

Q. You were beating the farmer?—A. Every time we quoted with one another we put the price down.

Q. You quit quoting under each other now?—A. Yes.

Q. Why did not you do it sooner?—A. We could not get together sooner.

Q. Were you bad friends?—A. No.

Q. You always looked pretty friendly every time I saw you. You say if you charter a vessel, four or seven or eight of you ship on it that you won't quote under each other in the Havana market; supposing you knew that a ship was going to sail from St. John and you could each put on three or four thousand sacks would you quote under each other first because you knew a ship was to sail?—A. There would always be some fellow who would have 250 sacks of potatoes down in St. John and he would have to ship them out, and if he could not sell them he would ship out on consignment, and the association of buyers in Havana knew that, and they would not buy anything, they would let us ship the whole ship on consignment, and then they would get it at their own price when they got it in Havana.

Q. You think that fellow would do that more than once if he was wise?—A. No.

Q. Do not give the idea that we have foolish fellows in New Brunswick?—A. We would not, and your merchant marine would have no cargo; they would ship out of St. John empty.

Q. Why?—A. Because a fellow would not ship when he was losing money; we would not ship on the boats, we would not use your service.

Q. I cannot see why you have to charter a vessel in order to keep from competing with each other.

By the Chairman:

Q. I think what Mr. Caldwell means to infer, is there anything to prevent you forming a collective selling association even though you did not—?—A. If we could all agree, if all the shippers could agree, to some association to market the goods and hold the price up it would be all right; if we could all agree among ourselves; there are always some shippers that are into the market only when the market shows them a profit, and the minute the market does not show them a profit they are out of the market.

By Mr. Caldwell:

Q. They do not ship?—A. Yes.

Q. You told us a minute ago some fellow would have 250 bags?—A. If he had them in St. John he would have to move them out of St. John.

Q. Do you think 250 sacks would stampede the market in Cuba?—A. No, but you take ten shippers with 250 sacks.

Q. You have not ten shippers in New Brunswick that foolish?—A. No, if they tried it once or twice.

Q. It would soon remedy itself?—A. You would have no cargo for your boats.

Q. You have changed your opinion about that since 1921?—A. How is that?

Q. That the regular sailing out of St. John would be a bad thing?—A. Yes.

Q. You had been shipping to Cuba about twelve years before that?—A. Yes, and through Boston.

Q. You did not know anything about shipping to Cuba in twelve years? —A. We never had the association buyers working so as we have the last two years; we used to ship out of Boston; we made small shipments.

Q. I know, I have letters from you saying unless the government established this warehouse and put on regular sailing out of St. John you did not see any hope for the future of the potato trade in New Brunswick?—A. No, I did not.

By the Chairman:

Q. I will read the correspondence to Mr. Hatfield, what he wrote on Feb. 25th, 1921, and then he will explain to us why he has changed his opinion.

> "In other words I do not think that the facilities in St. John have been of much use to the farmers of New Brunswick, especially the farmers of Carleton and Victoria Counties"—

I think those are the counties that are represented in this House by Mr. Caldwell?—A. Yes.

> "Now I think as the Canadian Government Merchant Marine have vessels tied up not in use or sailing to foreign ports with little or no cargo at a loss to the Government that we should have a regular sailing out of St. John to Havana, Cuba, and at least four of these vessels should be put on this route. Havana is not only the best market in the world to-day, for our potatoes, but it is our best market for Hay, Grain, Butter and Lumber, or in other words, The Canadian Government Merchant Marine could be sailing from St. John to Havana with full cargoes weekly instead of sailing across to European ports in competition with other vessels with little or no cargo, as they are doing at the present time. We could not only guarantee them a full cargo out of St. John to Havana each week, but believe that a good cargo could be secured in Havana for the return, such as raw sugar and fruit for Canadian refineries and Canadian markets. These vessels would need some alterations which would not be very expensive such as between decks which is practically the same as two stories in a house. They would also need to be ventilated better than they are now."

Q. Those were the views expressed by you on the 25th February, 1921, to Mr. Caldwell; do you adhere to those views, or have you changed them, and will you give the Committee the benefit of your reasons for the change?—A. I changed for this reason, that we could not sell, we found that out ourselves, shipping to

Havana the last two years we cannot sell when there is a regular sailing; in 1921 and 1922 we had the regular sailing. The C.P.R. put on a service out of St. John and we all lost money, and the price went down, every shipment and the farmer got it at the drop. Everyone was shipping potatoes on these regular sailings of the C.P.R. in competition, we were working in competition and not making any profit ourselves and not making anything for the producer.

Q. When you wrote that letter on the 25th February, 1921, how many groups of shippers were there operating in New Brunswick?—A. None.

Q. You were not grouped with anyone?—A. No.

Q. Not at that time?—A. No. I might say we had shipped a few boats out of St. John together, Porter and Gallagher and ourselves had shipped a few boats out of St. John on different Canadian Merchant Marine boats, but—

Q. In February, 1921?—A. Yes.

Q. Did Mr. Estey, at that time, he was in another group was he?—A. I don't think Mr. Estey was shipping at that time to Havana, unless he was shipping through Boston, I am not sure.

Q. The point I want to make is this—?—A. We were the only shippers to Havana at that time except Mr. Boyce of Fredericton, used to ship some.

Q. Tell me this, did Mr. Estey's joining with your group effect that change of heart?—A. He did not join with our group until this year, February or March I think.

Q. Was it the fact that you got hold of this warehouse at St. John from the city of St. John that caused you to change your mind from the time you wrote this letter of the 25th February, 1921?—A. No, it was what I told you, the sailings of the C.P.R. service, on which any shipper that wanted to put on—

Q. When did those sailings of the C.P.R. service begin?—A. They began, I could not tell you the date, 1921, the late fall I think.

Q. 1920 or 1921?—A. 1921.

By Mr. Caldwell:

Q. And the winter of 1922?—A. Yes

Q. Previous to that time you were not shipping very many to Cuba; there was no duty on potatoes going to the United States, and most of our shipments were going to the United States by the carload?—A. Yes.

Q. And there was not the necessity for this service then as to-day?—A. No.

Q. Because practically all our potatoes went by the carload to—?—A. I have shipped to Cuba since 1913.

Q. Did most of them go through Boston?—A. Yes, practically all. We tried to ship out of St. John, but we ran up against so much cost we quit.

Q. Because there were not facilities?—A. No facilities.

Q. Shipping from Boston you had the regular sailing?—A. Every Thursday.

Q. Did you find that difficulty then in competition that you do not find now?—A. There were some shippers, there were only three of us, and some of the Boston shippers shipped on that service.

Q. You were able to do it fairly profitably?—A. I don't think I made any money on the Havana business; I don't think our firm ever made any money on the Havana business; we made money, but our losses would more than offset what we made.

Q. It is a rather treacherous market?—A. We lost $41,000 in 1919 and 1920 in two weeks in Havana.

Q. You told us you shipped from Boston on regular sailings, were your losses as heavy as they were in the winter of 1922?—A. Only once we had four Shipping Board boats out of Boston dumped.

Q. That was because your potatoes went bad?—A. The potatoes that were loaded on—

Q. Your boats were held up because there was a strike on?—A. Yes.

Q. The boat laid there in Havana and was spoiled?—A. Yes, practically; dumped four ships.

Q. You told us you lost twenty odd thousand dollars on your charter business?—A. I don't think that was all lost in Havana; that is what we lost on our potato business for 1921 and 1922 everywhere.

Q. Quite a large part was from potatoes you bought to hold on to for speculation, and they went down instead of going up?—A. Yes; we lost quite a lot of money that way.

Q. Possibly more than that?—A. Practically I would judge.

Q. I think you will find another letter there a little later from Mr. Hatfield still urging—?—A. Our potatoes were bad in 1921 and 1922, we were up against hollow hearts, and we could not detect them unless we cut the potato open.

Q. We had some evidence this afternoon of a man from Prince Edward Island about the cost of growing potatoes, and Mr. Hatfield knows what it cost to grow potatoes, and I would like to have him give his opinion on the cost of growing potatoes in New Brunswick; you heard Mr. Dewar give the cost of growing potatoes on Prince Edward Island, how would that compare with our cost—he gave the cost of growing potatoes at $59.63 an acre?—A. Our cost would be much higher; we have different conditions.

By the Chairman:

Q. Why do you say that your costs are higher?—A. We have different conditions.

Q. That does not tell us much about what the different conditions were?—A. They only use about 1,000 of fertilizer per acre with certified seed, and practically none on their table stock. They use fish on table stock, from what I have seen on the Island. They also have much richer ground, freer from weeds, practically free from weeds.

Q. You do not suggest that they are better farmers on the Island than they are in New Brunswick?—A. I think some of them are.

Q. You think some of them are?—A. Yes, sir, that is a fact. They have better land. I don't know that they are better farmers, but they have better land. That is what I mean by that. I do not think they are any better farmers, but their soil is better.

By Mr. Caldwell:

Q. They have something in their soil that they do not have in New Brunswick?—A. Yes. They do not get that in the potato districts. Their land is free from rocks in Prince Edward Island, and free from weeds. Our land is rocky and we have a lot of weeds to contend with. We have to use more fertilizer.

Q. And you have to do more cultivating?—A. Yes, and we have to have more machinery. We use double the fertilizer they use.

By the Chairman:

Q. What do you think it costs to grow a bushel of potatoes?—A. I would think 40 cents a bushel in New Brunswick.

APPENDIX No. 3

By Mr. Caldwell:

Q. A great deal depends upon the yield per acre?—A. Yes.

Q. We have had some figures as to the cost per acre. If you get 100 barrels to the acre, your cost per bushel is less than if you only get 50 barrels? —A. Yes. Our farmers have all lost money in the potato business. Some of them have lost everything they owned.

Q. Would you go so far as to say that the farmers in New Brunswick did not get more than 50 per cent of the cost of growing potatoes in 1920 and 1921, and in the summer of 1922 do you think they did any better?—A. In 1922 they did not do as well.

Q. They would not get 50 per cent of the actual cost of growing them?— A. Not 40 per cent.

Q. Mr. Porter told us last year that one reason was that freight to inland points, such as Montreal, Ottawa and Toronto was 100 per cent more than it was previously.—A. It was practically double. Our freight rate in 1914 to Montreal was 17 cents; now it is 32½ cents.

Q. It has gone from 17 cents to 32½ cents, almost double?—A. Yes.

Q. Do you think that that is a big factor?—A. We should have better freight rates. The freight rates should be lowered. The Railway Commission informed me that if it had not been for the Crow's Nest Pass Agreement— they had a 20 per cent reduction, they gave judgment on a 20 per cent reduction for Eastern Canada. After the Crow's Nest Pass Agreement was passed they only gave 7 per cent, so that we are paying about 13 per cent of the cost of hauling western grain.

Mr. CALDWELL: Were you before the Railway Commission, Mr. Chairman?

The CHAIRMAN: No, sir.

By Mr. Gardiner:

Q. You made the charge there that if it had not been for the Crow's Nest Pass Agreement you would have had a much larger reduction in freight rates. Do you know what the average freight rate in Eastern Canada and in Western Canada is, and what the difference is in the cost of operation in the West?—A. No, I don't know anything about that. The Railway Commission told me, and that is all I know.

Q. Do you believe all the Railway Commission tell you?—A. Well, I don't know.

Mr. SALES: We do not.

By Mr. Gardiner:

Q. Haven't you found out that it is not advisable to believe all you hear from that Commission?—A. I would have the railways in the hands of a commission responsible to the people.

Q. What would you say if I told you that the freight rates in Canada were from 15 to 20 per cent higher in the west than in the east, and that the cost of operation was higher in the east than in the west, and that the cost of building is higher than it is in the west?—A. I could not say. I am not a railway man.

Q. But what would you say if I told you that that was correct?—A. I could not say.

Q. You could not say anything, could you?—A. No.

Mr. HAMMELL: What would be the use of saying anything?

By Mr. Gardiner:

Q. I suppose the Board of Railway Commissioners told you that to create ill-feeling between the east and the west?—A. I do not think that that was the case.

Q. Whereas as a matter of fact the West to-day is paying higher rates than what the Eastern people pay by comparison, by a good deal?—A. You are right, from a given point in the West to the head of the Lakes. It is only about half what the rate is on the American side, you know.

Mr. GARDINER: But that is not the question.

The CHAIRMAN: May I interrupt a moment? If we enter into this discussion of freight rates, I do not know where we will be led, so with your permission and your concurrence I will ask that we restrict ourselves for the time being to New Brunswick and to potatoes.

Mr. GARDINER: The only reason I made the statement was because of the statement made by Mr. Hatfield.

The CHAIRMAN: I have given you the opportunity of putting on the record your emphatic dissent from the views expressed by the witness.

By Mr. Caldwell:

Q. I would just like to touch upon another point. I would like to know what you think about this. We want to improve marketing conditions, so as to return enough to the farmer to pay him for his production. What do you suggest the Government should do to provide better markets, or wider markets? —A. I would suggest that we form a Bureau of Markets, under the Department of Agriculture, instead of working through the Department of Trade and Commerce, which I do not think is any good to the country; that we get a group of young men, take them from the farms, take them from the manufacturing plants, and take them from the shipping companies.

By the Chairman:

Q. And perhaps from the Maritime Provinces?—A. Send them over Canada, send them throughout Canada, to find out what we have to grow, what we have to export, how it is grown or how it is manufactured, then we will send those men to the markets of the world to sell the stuff. To-day, if you go into Havana, Cuba, and ask for the Trade Commissioner, or the Assistant Trade Commissioner, a fellow comes to the door with a tray to get your card, you are ushered into the room, and if you want to know anything about Canada there is a Cuban there who will tell you that he will look it up or take it up with Ottawa, to come back in a week's time and he will tell you what they grow up here or what they have to sell.

By Mr. Caldwell:

Q. Has the Trade Commissioner in Cuba an office, and is he a Cuban?—A. The man in the office is a Cuban.

Q. In the Trade Commissioner's office in Cuba?—A. Yes.

By the Chairman:

Q. Is there no Canadian representing our Government there?—A. He lives in Jamaica, I believe. Those men should know the market conditions.

Q. Do I understand that there is no Trade Commissioner in Cuba who is a Canadian?—A. No, sir, not now. The Canadian Trade Commissioner who covers Cuba or Havana is located in Jamaica, I believe.

By Mr. Caldwell:

Q. He has an oversight in Havana?—A. Yes.

Q. With a Cuban in the office?—A. Yes.

Q. The man's name is Stevens?—A. Yes.

Q. Have you ever seen him in Havana?—A. No.

Q. You never got any assistance from him?—A. No.

Q. I believe he is an excellent man?—A. I have never been in Cuba. I am just telling you what I have been told.

Q. It is up to the Department of Trade and Commerce. This Session I have been doing my utmost to get a Canadian in the Cuban office, a man who knows what we have to export.—A. There is a big market for hay, oats, grain and flour in Cuba.

Q. Has there been much sold yet in that market?—A. No.

Q. Is it a profitable market?—A. Well, there is New Orleans competition. They handle a lot of flour. They have very few horses there.

By Mr. Sales:

Q. Did you say oats?—A. Yes.

By Mr. Caldwell:

Q. What do we ship to Jamaica, that you know of; what do we ship to the West Indies?—A. Not very much. We send a few potatoes down there, seconds.

Q. There is one other point to which I would like to refer. Do the United States have a preference in duty over us, in Cuba?—A. Yes.

Q. Of how much?—A. A twenty per cent preference, about 12 cents a sack.

By the Chairman:

Q. Does the American tariff provide for generous rates on goods from Cuba into the United States?—A. No, I don't think so. Cuba sent a Commission up to Washington. They were very much vexed about the Fordney Bill. They raised the duty on their sugar, I believe. I advocated at that time to throw the duty off sugar and potatoes.

By Mr. Caldwell:

Q. Will you explain what you mean?—A. A reciprocity arrangement with Cuba, whereby we could ship our commodities in free of duty, and they could ship their sugar here free of duty.

Q. That is interesting.—A. That would be the greatest help we could give our farmers in the East. It would also help Ontario and Quebec in the potato line, because we have a surplus that we ship to Ontario and Quebec.

Q. It would help these housewives that were spoken about in the House this afternoon, to buy their sugar cheaper?—A. Yes.

Q. Do you know whether the boats carrying potatoes get a return load?—A. They bring up raw sugar.

Q. Do you know what the duty is on raw sugar going from Cuba to the United States?—A. No. I will look that up.

Q. To pursue that a little farther, while the Chairman looks that up, do you think our Government would confer a boon upon the potato growers in Eastern Canada by having some arrangement with the Cuban Government whereby they would allow our potatoes in free of duty and we would allow their sugar into Canada?—A. Yes.

Q. You think that would benefit all the consumers in Canada?—A. Yes.

Mr. HAMMELL: It would benefit Ontario.

By Mr. Caldwell:

Q. We gave the West Indies a preference on raw sugar last year?—A. Yes.

Q. Is it your opinion that the consumers in Canada benefited anything by that?—A. I could not say. They would not benefit unless they could get enough sugar to supply the Canadian market.

Q. Which they do not now?—A. No.

Q. They get a large quantity of sugar from Cuba on which they pay a duty of so much. Find out how much it is on raw sugar to Canada, will you, Mr. Chairman? Does the fact that they get a large quantity of sugar upon which they pay a duty, and a less quantity from the West Indies put the cost on the sugar that pays the high duty; is that not the case?—A. I don't know.

Q. It is very evident to-day that it is not a low price?—A. I am not prepared to say.

Q. But you have an opinion? You know that we get large quantities of sugar from Cuba?—A. Yes, we do.

Q. And you also know that the duty on it does enhance the price of it?—A. There is a steamer in the stream about every time I am down at St. John, there is a steamer of the United Sugar Refineries with raw sugar. They also export a lot of refined sugar.

Q. And your opinion is that the duty on raw sugar would enhance the price in Canada?—A. I would think so.

The CHAIRMAN: I might state that raw sugar does not come in free into Canada. Apparently it does not come in free from any place.

Mr. CALDWELL: No, but we lowered the duty on sugar from the West Indies last year.

The CHAIRMAN: We lowered the duty, but it is figured on so many degrees of sweetness, so that it would take a tariff expert of great knowledge to know what the tariff is. Mr. Hatfield, we are very much obliged to you and I know you want to get away to-morrow, and your friend Mr. Estey wants to get away also.

The WITNESS: I would like to see the duty removed on acid phosphate, which is the bulk of the material going into our fertilizers. That is a big question with our farmers.

By Mr. McKay:

Q. I thought they all came in free?—A. Everything comes in free but acid phosphate and that is half of the bulk.

By Mr. Caldwell:

Q. That is the chemicals themselves?—A. Yes.

Q. There is a ten per cent duty on the mixed fertilizers?—A. We don't use any mixed fertilizers.

Q. Would you advise taking the duty off mixed fertilizers as well?—A. Yes, I would.

Q. I suppose you are aware that there is anywhere from eight to fifteen dollars difference in the prices of fertilizers in Maine and New Brunswick. Two years ago it was $15 difference. Last year $9 and this year about $8.—A. Well that would all depend.

Q. Two years ago there was an exchange and duty?—A. Yes. That would depend on the kind. We use all kinds of fertilizer.

By the Chairman:

Q. Acid phosphate, is that what you are speaking of?—A. Yes, or phosphate rock.

Q. Tariff item 218 is, acid phosphate not medicinal, 12½ per cent British preference, 17½ per cent intermediate tariff and 20 per cent general tariff.—A. We pay ten per cent duty on it.

Q. Unless there has been an amendment it is as I have read.

Mr. CALDWELL: I think it is only ten per cent at the present time.

The WITNESS: We paid $16 duty the other day on a car.

By Mr. Caldwell:

Q. Where do you get yours?—A. From Baltimore. That is on the rock, dried, and screened. All we ever paid in the last two years was ten per cent.

The CHAIRMAN: If you are satisfied with ten per cent, I will not look any further. It is no use going over this ground of fertilizer prices and the difference in prices because we have that on record already.

The WITNESS: And I might say we would like to see better equipment for handling perishable goods. In the winter we have to put a stove in each car and put in a cord of wood and send a fireman to Montreal or Toronto or to the United States or to St. John or wherever we ship, and that is a big expense, and a great disadvantage to our shippers.

Q. Are the railways not equipped with heated cars?—A. No. They have some. The Canadian National has about 300. The Canadian National, I believe sent their cars West with perishable goods, import freight, and they didn't get back to us last winter.

Q. They went down to the States and were marooned?—A. I suppose so.

By Mr. Caldwell:

Q. You pay a higher freight rate for the heated cars?—A. Yes.

Q. Can you compare the freight rates on potatoes and on lumber for the same distance. Is it higher on potatoes than on lumber?—A. Yes.

Q. How much higher?—A. About five cents a hundred.

Q. Would it be fifty per cent higher?—A. About thirty per cent, I would think.

Q. In addition to furnishing your own stoves and your own wood to fire the stoves, and a man to build the fires, you pay his railway fare back from the point where the goods are delivered to where he started from?—A. Yes, and the freight back on our stoves.

Q. Then you have to re-line the cars?—A. Yes.

Q. Which costs how much per car?—A. It costs about $40 to-day to line the car. And then we pay the freight back on the lining

Q. When you bill out a car of potatoes you have to waive all claims from damage by frost or fire?—A. Yes.

Q. You have to sign a special bill waiving all damage on the car of potatoes, but on a car of lumber the railway company is answerable to deliver it or pay you for it if it is burned up or destroyed?—A. Yes, except on their heated cars. They take the responsibility on those. If we put the stove in and pay the man, we take all responsibility and pay his return fare and pay for the shipping back of the stove and lining.

Q. And you waive all claim in case of fire or frost?—A. Yes, we have had claims for fire when a car burned up under those conditions.

Q. Do you think the comparative freight rates on lumber are fair under those conditions?—A. Oh no, they should be reduced at least fifty per cent, the freight rate, or back to pre-war level; the ocean rates have gone back to the pre-war level; the ocean people have used us right but the railways have not.

Q. Your freight rate from St. John to Havana was how much, a year ago this winter?—A. It was $1 and we got it down to 85 cents.

Q. What did you start at a year ago last fall?—A. $1.25 I think on the first ship.

Q. And what is that at the present time?—A. 60 cents.

Q. Back to half what it was a year ago?

By Mr. Hammell:

Q. Are you interested in importing fertilizer for your customers?—A. Yes We had 8,000 tons last year.

The CHAIRMAN: We shall come back and hear Mr. Estey after division.

(At 10.25 p.m. the Committee took recess, the members of the Committee attending a division of the House.)

On resuming,

By Mr. Caldwell:

Q. Some shippers have to pay for building the siding and pay interest, and I would like this witness to tell us about that?—A. We have to pay for building the siding and pay interest on the rails; we have to pay all the cost and pay interest on the rails, and then during the winter we have to pay for the shovelling of the snow off those sidings, so that they can set cars, otherwise they refuse to set cars at the warehouse, and a great many of these sidings along the main line they come along with the snow plow and fill up the siding with snow, and then they charge us for cleaning it off again.

Q. That is they put the snow on with their own snow plow?—A. Yes, and we have to pay for the cleaning of it off. I have a bill right before me now for two sidings for the months of February and March of $14.72 for time of section men cleaning snow out of our private siding.

By the Chairman:

Q. Any other question?

Mr. Hatfield, we thank you very much. You are excused.

By Mr. Caldwell:

Q. You think we should make some recommendation upon that?

WITNESS: Yes.

The CHAIRMAN: The witness is excused.

ORISON R. ESTEY, Sworn, Examined by

The CHAIRMAN: Q. You are a member of the New Brunswick Potato Exchange, are you?—A. Yes.

Q. Where do you hail from?—A. Woodstock.

Q. In the fall of 1922 did you form an association with Mr. B. F. Smith, and H. A. Bell and Mr. H. Johnston?—A. Yes, sir.

Q. What was the purpose of that organization?—A. A mutual arrangement between us to enable us to get enough potatoes together to ship cargo lots on the Havana market.

Q. And you chartered steamers for the purpose?—A. Yes.

Q. In the Cuba market who were your competitors for business?—A. Our principal competitors for the business from a Canadian standpoint would be Porter, Hatfield, Gallagher and Clark.

Q. Association?—A. Yes.

Q. Since when has your competition ceased?—A. It ceased on a competitive basis I think it was on the 5th February, well it was a little prior to that that we agreed to quit disagreeing, and on the 5th February we shipped the first boat together, chartered the boat together.

Q. And now the combinations are together?—A. Yes.

Q. "Two minds with but a single thought
Two hearts that beat as one"—
is that the description of your dealings now?—A. Hardly.

Q. That would be a poetical exaggeration?—A. Somewhat, yes.

Q. How far does your association extend?—A. Just to this extent; I might say that now at the time we came together Mr. Bell of the Woodstock Produce dropped out of the business, the business had not been financially profitable and he was unable to stay in, he was obliged to cease business, since that Mr. Smith, and Johnston and Tarbell, and myself have put one-third of each cargo on each boat as it went out.

Q. Is there competition among you buying from producers?—A. Yes.

Q. Real competition?—A. Yes sir.

Q. Therefore your association only extends to a co-operative selling on foreign markets?—A. Yes.

Q. Do you co-operatively sell on the Quebec market, Montreal?—A. No, only through our exchange. We have a manager there who gets information from all over the country as to prices and sales for us. He will offer one and all cars as sold; if I want a car I take it, if the other fellow wants it he takes it; if we do not we turn him down.

Q. Does this ever happen, that your buyer and Mr. Hatfield's buyer are together at one shipping point both competing with each other to buy the potatoes that the farmers bring in?—A. Yes sir. At Upper Woodstock we have been in competition all winter. I might say further that down on the Keswick branch one of the parties of my own arrangement, Mr. Smith, is my heaviest competitor down there; he authorizes his agent to pay more to the farmers than I will, and I will tell my man to stop buying, because I won't take the produce at that price.

Q. When you sell down in Cuba you state that you put one-third of the cargo on board, your group does?—A. Yes.

Q. And Mr. Hatfield's group puts the other two-thirds?—A. Yes.

Q. When you get down to Cuba how do you arrange matters?—A. With the exception of two boats we have always had it sold before it left St. John. On two boats shipped out in April we were not able to sell the full cargo, but we had our boat chartered and expected to have it all sold before loading, but we had to load the boat and certain of it put on consignment which we billed our brokers down there to sell for us.

Q. If I was an independent potato shipper in New Brunswick could I get a chance to ship on the boats you charter?—A. No sir.

Q. Even if they were not full?—A. They are always full—they are not always full but they are always full for all the cargo that the market is open for down there. The market down there is a limited market, ten to twelve thousand a week is all we can get them to take.

By Mr. Caldwell:

Q. Does Havana not take over ten or twelve thousand sacks a week?—A. From our market here; there is a stock from New York, there is stock

evey week from Norfolk, Virginia, the last few weeks there has been small lots coming through Boston, I presume Canadian potatoes in bond, and then the larger European shipments. Of course from Halifax, the stuff from Halifax usually goes in and around Santiago and other places down there.

Q. What would you think of the idea of having a weekly service, a regular service every ten days for instance, from the port of St. John to Havana, on which all people who wished to ship would have an opportunity of shipping; what objection is there, if any, to that scheme?—A. The objection I would have would be what I have gained by my experience of the years before; we had that with the C.P.R., and I followed that trade of shipping on the C.P.R. boats out of St. John, and the result was very unpleasant to myself.

By Mr. Caldwell:

Q. What season was that?—A. 1921.

By the Chairman:

Q. Mr. Estey, would it be wrong to sum up the situation in this fashion, that you and those with whom you are associated, and I include in this Mr. Hatfield's group, feel that the Havana market can only absorb a certain number, a certain amount of Canadian potatoes, and that you have taken such means as to insure that no potatoes other than those which you handle yourselves shall reach that market by a direct route?—A. No sir, you are not correct in that.

Q. What?—A. No, sir, they are not.

Q. In what way am I wrong? If I made that statement, how far would I be inaccurate?—A. For the simple reason that there are in the Province of New Brunswick and on the St. John River, sufficient shippers to produce a cargo every week if the market was available. There are shipping brokers calling up every day to get them to charter a ship of 8,000 or 10,000 bags. They are offered to us every day. There is one company that spent a good many dollars this season telephoning and telegraphing us.

Q. I limited my remarks to the direct service from St. John to Havana. —A. There is no trouble in getting any quantity of ships out of St. John. But you have to do it on charter, guaranteeing them so much.

Q. But if a boat you had charge of could take a certain number of sacks without being overloaded, you would not allow the sacks to go down?—A. No, sir, because we would have several thousands that we could not ship. We have had as high as 5,000 in the sheds when the boats would sail.

Q. The real object is that you do not want other people's potatoes to come into competition with yours on the Havana market; that is your object?—A Not on our boats. They could ship on their own boats, and we could have no objections.

Q. Suppose you were a common carrier, obliged to take everything offered to you, you would nevertheless not wish those competitors to ship on your boat—be frank about it; that is the impression on my mind?—A. Let me get it right. If I represent—

Q. As I under-tand the situation it is this, you will correct me if I am wrong, your group in combination with Mr. Hatfield's group charters vessels to take potatoes which you own and control, down to the Havana market; that is right?—A. Yes.

Q. The Havana market is in your opinion a market which does not give an unlimited field for Canadian potatoes?—A. Yes.

Q. And that the amount of potatoes which you send by your chartered ships is sufficient to supply that market, in your opinion, with Canadian potatoes; am I right so far?—A. That is right.

Q. Therefore am I not right in concluding that your desire not to ship on your boats any potatoes other than your own is motived by the fear that if you did so, potatoes belonging to other people would get on the Havana market and spoil that market to a certain extent, as far as your own shipments were concerned?—A. That is correct.

By Mr. Caldwell:

Q. If other shippers shipped there, you would have to ship less?—A. Or take less.

By the Chairman:

Q. That is perfectly frank.—A. Or have them turned down after we got there, if there was a glut on the market.

Q. Can you tell us whether in the last six months let us say the price of potatoes in Havana has varied to any extent?—A. Yes, it has.

Q. What has been the oscillation in price?—A. It started in the fall, in September, at about $3.

Q. Per barrel of 180 pounds?—A. Per barrel of 180 pounds Havana. It dropped off at the second boat to $2.75. It dropped off at the third boat with us to $2.55.

By Mr. Caldwell:

Q. What date would that be, Mr. Estey?—A. The second boat was October 9th. I said $2.75; it should have been $2.70.

By Mr. Sales:

Q. When did the first boat arrive?—A. I could not say exactly what time it arrived. It sailed out of St. John on the 25th of September.

Q. What was your price?—A. $2.95. That boat was really chartered in Havana, so we did not pay the freight on it. That was paid in Havana. We got on the basis of $2.75 guaranteed 75 per cent in Havana.

By the Chairman:

Q. Within the last six months?—A. Yes.

By Mr. Caldwell:

Q. Would that be the cargo that arrived on October 7th.—A. No. It left St. John on the 25th of September. It would probably be nine days going down.

By Mr. McKay:

Q. I would like to ask one question. There are two groups that purchase these potatoes. In the purchase of these potatoes there is keen competition? —A. Yes.

Q. But in the selling of the potatoes there was one price?—A. Not at that time. We were independent.

Q. Do you sell independently in Cuba?—A. All through the fall. We have one broker down there now, or two brokers.

Q. You got the same price?—A. After February 5th we did.

Q. You got the same price in Cuba?—A. Yes.

Q. But the purchase price would be different?—A. Owing to competition.

Q. There is competition at the one end, but your selling price is the same? —A. Yes.

Q. Is there any real competition in purchasing?—A. Sometimes there is such real competition that one man will back up and say "You are too optimistic about the market for me, I will quit, and you can have the potatoes."

Mr. McKAY: I have seen purchasing like that.

By the Chairman:

Q. This is the point. What is the extreme of the oscillation in price in the last six months, in Cuba?—A. On October 31st we sold a cargo at $2.55 at Havana, 180 pounds.

Q. What was the lowest?—A. That was the lowest.

Q. The highest was $3.50?—A. The last boat on March 31st sold at $3.60.

Q. Therefore your price that you obtained for your potatoes varied $1.05 from the lowest to the highest?—A. Yes.

Q. Tell me what variation in price there was during the same period, paid to the producer? A. On September 8th when we commenced buying for the market, the prices ran from 75 cents to 90 cents for the Cobblers which were bought for that shipment.

Q. What was your highest and your lowest price between those dates?—A. The price ran up to $1. You might say we bought seed at $1.50, up above Grand Falls, and shipped it down in barrels for that market.

Q. Is that included in the $3.60?—A. No, sir.

Q. Let us leave the seed potatoes out. I want to compare the prices you paid to the producer with what you get in Cuba. You say your highest price was $3.60 per barrel and your lowest $2.55?—A. Yes.

Q. What was the highest price paid to the producer, and what was the lowest?. A. The highest price paid to the producer was $1.75 on the boat, besides paying our commission for loading over and above that.

Q. What was the lowest?—A. The lowest was 75 cents.

By Mr. Caldwell:

Q. Up to the end of March, what was the variation in price to the farmer?—A. For the greater part of the time it ran about $1.

Q. It had not gone above $1?—A. No, sir.

By the Chairman:

Q. Are you a little kinder to the producer than Mr. Hatfield is?—A. Mr. Hatfield has the advantage of having a good many houses, while I have not. I buy on the siding, and I am able to pay a little more than he pays, because I haven't any overhead charge.

Q. Mr. Gordon has just looked over the figures supplied by Mr. Hatfield. The highest he paid was $1.10, while the highest you paid was $1.75. You appear to be better able to qualify for the position of the farmer's friend than this other gentleman.—A. I cannot give you the dates exactly. My bookkeeper simply copied the amounts bought from different men, but not the dates. I am going by the dates the different boats went out.

Q. Is there any doubt about the approximate accuracy of these figures?—A. I have got his average. He simply averaged the total shipments to Cuba for the season up to March 31. I can give you that.

Q. I want the oscillation in price. From what you said it seems to me to be perfectly reasonable, the price you got in Cuba. The price you got for your goods varied $1.05, the amount paid the producers varied $1. That seems to me to be perfectly reasonable. But have you any explanation of why you had to pay $1.75 during this period, when the highest Mr. Hatfield paid was $1.10; is he a very much better buyer than you are?—A. Well, I would not be

certain that much of the $1.75 stuff went on the last boat out in March. I think that was in the warehouse at St. John. We have every shipment. The price I gave you was on the last boat shipped out in March, and I see $1.25 in some places, and some $1. I might say further that I have bought a good deal from other dealers direct on the basis of $1.80, sometimes in bulk and sometimes in the sack, and I would not have any loading expense.

Q. I understand Mr. Hatfield's prices are for the potatoes by themselves?—A. Yes.

Q. The difference between $1.10 and $1.75 is not as great in reality, on the face of it, as it seems to be?—A. No, sir.

Mr. CALDWELL: A lot of the expense Mr. Hatfield put in as overhead would go to the price of the potatoes, in Mr. Estey's case.

The CHAIRMAN: As Mr. Hatfield is here, we will let him interject an answer to the question, by way of explanation.

Mr. HATFIELD: You asked me to give you the prices paid to the producers up to the 31st of March. Mr. Estey paid $1.75 up to the 31st of March, while I paid as high as $2 after the 31st of March.

Mr. CALDWELL: Would any of those potatoes you paid $1.75 be the potatoes you sold at $3 in Cuba?

Mr. HATFIELD: Not of the shipment in March.

Mr. CALDWELL: Or would they be bought after shipment was made?

Mr. HATFIELD: They would be bought after the shipment was made. You will see if you look over those records. You will see the rise in price up to the 20th of March. Up to that date the highest we paid was $1 a barrel. After March we paid $1.75 to $2.

Mr. SALES: Mr. Estey quoted us $3.60 as the prevailing price in March in Cuba.

Mr. CALDWELL: I think we can shorten this by taking that shipment of last September. You got $2.90 for that in Cuba?—A. $2.90 in Cuba, yes.

Q. We heard something about a potato combine in Cuba this morning and I think we can shorten this by taking this one shipment and cleaning it up. You sold that for $2.90 and I have the market quotations here, weekly. It says, Market conditions for the week ending October 7th, and your shipment is included in this. "In spite of heavy arrivals during the last week prices have remained about the same as during the preceding week." Then it says that sales have been made at $4.05. You got $2.95?—A. Yes.

Q. And the duty was 60 cents?—A. Yes.

Q. That would be $3.55 and that would leave 45 cents for the people you sold to in Cuba?—A. They don't like to work for nothing.

Q. Now take the shipments for the week ending October 21st. Your two organizations had shipments arriving in Cuba during the week ending October 21st?—A. What vessel is that?

Q. I have not the name of the vessel.—A. I have October 28th the *San Benito* loaded in Boston, a few thousand. There was nothing arriving in Havana on October 28th from St. John.

Q. This is on the steamship *Anna* arriving St. John October 21st?—A. That was our boat.

Q. What did you get for that?—A. $2.70.

Q. And the duty 60 cents?—A. There is what they call a carting charge there too. They figure ten cents for carting from the wharf to the warehouse.

Q. They sold that week at $3.50 so they had a very small margin?—A. Yes.

Q. Now you told us you thought it would not be a good thing to have a regular sailing out of St. John?—A. Yes. The reason I gave for that is that the country is flooded continually by brokers' advertisements from Cuba, trying to show the shippers what huge profits they can make if they take them for their only connection. I bit at that a year ago last winter. Bit two or three times pretty heavy and I am not biting again. It costs too much.

Q. That is the winter of 1921?—A. Yes.

Q. We did not have any facilities at St. John to ship them?—A. No.

Q. How did you ship, did you ship in the cold weather?—A. Yes.

Q. But it was a warm winter?—A. Fortune dealt very kindly with us because we had warm weather every time we had a boat there.

Q. Had you had weather like last winter what would have happened?—A. The stuff would have gone on board and been all frozen up and we would have lost the cargo.

Q. You had not any frost-proof warehouse facilities?—A. No.

Q. Therefore you were taking an awful risk to ship that winter?—A. Yes, it was a bit of a gamble.

Q. If you had not had a frost-proof warehouse this last winter could you have shipped to Cuba?—A. No.

Q. You think Mr. Hatfield and Mr. Porter would not have taken you in with them if you had not had some way of getting into the Cuban market in spite of them?—A. I don't think so. I think from the capacity of their warehouse they would have been very foolish to do so if they had enough potatoes to handle. It is according to how much their hearts would expand.

Q. Do you think they were very pleased when we got the second warehouse in St. John last summer?—A. Well, no, naturally if I had a business myself which I might say I had dug for myself, which I could be fully capable of supplying, I would not welcome too many competitors on the market.

Q. That is natural; I am not blaming you. Last fall when you first started to ship, did you have quite a job to get men to join you to charter vessels?—A. Yes, that was one of the things we were up against, because in the previous history we had to agree with some steamship companies to supply or to give them a guarantee of loading at least so many boats, eight, ten or twelve boats for the season, and a guarantee as to price.

Q. As to price of freight?—A. Yes.

Q. It would look like a pretty big proposition?—A. Yes. I offered that proposition to a number of the shippers on St. John River, and they said, No sir, we don't take any such risk as that at all.

Q. They were afraid of it?—A. Yes.

Q. They thought it was a terrible risk?—A. Yes.

Q. If you had a regular sailing out of St. John would you have any trouble in getting these men to put on 2,000 sacks to make up a cargo?—A. Not if they could be sold before they left St. John, to show a fair profit.

Q. You had been selling before they left St. John this last winter?—A. Yes.

Q. Because you found out that it did not pay to consign them?—A. No.

Q. Do you think that would have changed any if they had a regular sailing out of St. John and you did not have to charter vessels?—A. No, we would not consign.

Q. You would not change your method of selling?—A. No.

Q. But more people would have been able to ship?—A. Yes.

Q. And you would not have had any trouble to get a cargo?—A. If there had been any market for it, we could get a cargo every day out of St John.

Q. Mr. Hatfield said if there was a regular sailing, people would not ship on it?—A. I say if you could not sell the potatoes.

Q. You would not ship unless you could sell them anyway?—A. No.

Q. You don't think many shippers would?—A. Well they did last year or a year ago.

Q. But they did not do it more than once or twice?—A. I think Mr. Clark sent at least four consignments. Mr. Nodden sent two or three.

Q. Mr. Hatfield told us that you and he rather bucked each other on the Cuban market in the first of the year.—A. Yes.

Q. A pretty serious time?—A. Serious enough so that we took a good chance of losing all we had.

Q. And what led the amalgamation, who made the first approach?—A. Well that would be pretty hard to say.

Q. You were both willing but neither liked to say so? -A. I think probably we got together the time we made the delegation up here to see what could be done to stop the Cuban people from imposing the heavy duty they talked of. We talked matters over quite frequently on the train and I proposed that we might get together and lay our cards on the table and if there was any way of getting together on a reasonable basis, to do so, and if not why we could keep on our old way.

The CHAIRMAN: We have no objection, Mr. Caldwell, to these gentlemen getting together for collective selling if they think they can get a better price in the Cuban market.

Mr. CALDWELL: Certainly.

The CHAIRMAN: The only difficulty I see is that if they get together for the purpose of reducing the price to the producer in New Brunswick, that is where we would have a legitimate cause of complaint. They swear by all that is holy that they are as keen competitors as possible, to buy, but after they have bought their mentality immediately changes and they co-operate for the purpose of selling.—A. I might just cite an instance. I won't mention the buyer's name.

Q. There is no reason why you should not.—A. Well, I will frankly say it was Mr. Porter. When he takes the notion in his head that he wants potatoes, then he is going to have them, and he does not stop to consult his neighbour as to whether he is willing to pay an extra quarter or not; if he wants potatoes he goes after them. Several times he has jumped the price 25 cents without saying a word to the fellow who is buying alongside of him. So it does not look much like collusion in that matter.

Q. Mr. Porter does that, and is Mr. Hatfield given to that method of jumping the price without saying a word to those who are in the market to buy with him?—A. Well I have known such things to happen at Upper Woodstock.

Q. Do they happen as a matter of practice, Mr. Estey?—A. I will tell you where it frequently occurs. If there are three of us loading on a siding, and each one with a car partly loaded. I might not have my car sold; the other fellow might have a car sold and he would depend on getting his carload quickly, to get his carload on the market before the market would change, and he would authorize his men to pay ten, fifteen or twenty cents more to fill that car.

By Mr. Sales:

Q. A few cents?—A. Yes, it might be 25, 50 or 75 cents.

By the Chairman:

Q. That is on a more or less extraordinary occasion?—A. It is a very frequent occurrence.

Q. It happens how often out of ten, once out of ten times?—A. Yes, three or four times out of ten on all the loading ways along the river.

Q. Three times out of ten. Now on the other seven times, how are matters arranged?—A. There will be no arrangement. Simply we are all getting all the potatoes we want. We have no special call for getting them any quicker than we are getting them.

Q. Then you will be paying the same price for them?—A. Yes.

Q. How is that price arrived at?—A. This past year generally it is arrived at by the price that we can get on the Montreal market, on our home market. This year we have paid from ten to twenty-five cents ahead of our home market almost all the time.

Q. Do you have any arrangements beforehand as to what you are going to pay?—A. No sir.

Q. You are sure of that?—A. We call them up and say, what are you paying. A farmer comes in and says, "Hatfield is paying $1.25." I call up Mr. Hatfield.

Q. What do you say to the farmer?—A. I follow that up to see whether the farmer is telling the truth or trying to put one over.

Q. And if you confirm the farmer's truth telling, what do you say, offer $1.30?—A. No, not unless I am caught with a car.

Q. It is only in the comparatively rare case when you want to fill a car quickly that you offer more than your competitors offer, is not that so?—A. In some cases where they want to put in storage, they will go ahead and do so.

Q. It is some case that falls in the three out of ten that you offer a price different from what your competitor does but as a rule you will pay the same price won't you?—A. As a rule, yes, with the exception that for Cuba the freight rate changes every so many miles. To Woodstock we could pay 5 cents more.

Q. When I ask you to compare prices given by yourself and your competitors, I mean of course at the same points.

By Mr. Sales:

Q. How many warehouses have you got?—A. I only have one. I buy a good deal on the sidings and I buy a good deal from other shippers who are loading but don't care to take a chance on the markets themselves.

By Mr. Milne:

Q. If a farmer does not complain, you don't raise the price any?—A. If a farmer does not complain?

Q. You said if a farmer came along and told you Mr. Hatfield was paying 25 cents more than you were offering, you would call him up and see that that was so, and then adjust your price. I take it then from that that if the farmer did not complain, the price would go along the same even if the price was 25 cents below the market price.?—A. We don't have that happen very often. The farmers are as well posted on the markets as we are.

Q. Is that the way you make the price regularly, if the farmer complains?—A. Oh no, if there was a demand, like there was a few weeks ago, if prices advanced on the American side, every dealer went after potatoes that were suitable to go over there. All potatoes are not suitable to go over there. There was a demand for mixed cobblers and Green Mountain stuff and at Woodstock a dealer could pay 25 or 50 cents a barrel more than he would for a carload of cobblers that would have to go on our own market.

By Mr. Sales:

Q. What function does this potato exchange perform?—A. It is the selling broker for a number of shippers there.

Q. How many members have you got? A. There are seven of us, I think, now.

Q. Does your exchange, like the wheat exchange, send their prices to the different stations?— A. Yes, sir, it is their business to circularize the trade all the time, to get the sales.

Q. So Mr. Hatfield would be wiring each day too, I suppose, to his buyers that his price that day was so and so?—A. Yes.

Q. And that is the price of the potato exchange? A. No, the potato exchange is not a buyer. It is simply a sales agency. We have a manager there who is posted with every buyer through the province and he is continually wiring them, and getting wires from them, asking for carloads of potatoes. He in turn sends them to the shipper that he is representing through certain brokers.

Q. Your prices do not correspond with what Mr. Pirie said. He said the potatoes in Cuba varied from $3.25 to $4.50 a sack. You have $2.95 to $3.60 yourself?—A. Yes, sir. I saw Mr. Pirie's statement.

The CHAIRMAN: I do not think it is fair that we should sit later to-night. It is half-past eleven.

Mr. SALES: We were trying to accommodate these gentlemen.

The CHAIRMAN: We want to accommodate these gentlemen, and no one desires to do it more than the Chairman. If there is a desire to question the witness at greater length, I think we should continue the examination to-morrow morning.

By Mr. Sales:

Q. I would like to know the price of carrying a barrel of potatoes from St. John to Cuba.—A. From St. John to Cuba?

Q. Take the average railway station, at which the farmer issues, so that the farmer himself will be able to compare the price he is getting and the price of potatoes in Cuba.—A. The average cost that we have figured out, through our warehouse, would run just about $1.40 for 180 pounds, from the loading point, including all expense of bagging and barreling, sorting and re-sacking at St. John, ocean freight, delivered at Havana, was at 40 cents a barrel, of 180 pounds to the sack. There is one statement I would like to correct of Mr. Pirie's. In his statement he said he sold considerable potatoes to a man named Estey, but after he was taken in on the combine he said he bought no more potatoes. I have invoices showing at the time the combine—

By the Chairman:

Q. Or entered the Association?—A. Yes. I think I bought ten or twelve carloads from Mr. Pirie, which were shipped to West. St. John and then to Cuba.

Q. How does that compare with what you were paying before?—A. In the fall, I bought at one time some 4,000. That was seed stock, which we have not discussed. Well, I have not his account here. I do not know—I may have it here too.

By Mr. Hammell:

Q. How many of these 180-pound sacks go in an ordinary car?—A. Of the 79 series, they generally put 250, but 200 will give car rates. One series—the 288 series will only take about 220.

By the Chairman:

Q. The price you pay the farmers is for their run of potatoes? —A. Yes.

Q. You do not send that run of potatoes down to Cuba?—A. No.

Q. You send the best potatoes to Montreal and Toronto?—A. We send the best?

Q. Yes.—A. We have not touched Toronto at all.

Q. Say Montreal?—A. We try to ship when we ship there, Grade A.

Q. You grade your potatoes and send the better grades to the Montreal market, and you send the seconds to Cuba?—A. No, in the Cuba market they will pick a slightly smaller potato than will grade up to Grade A, but Mr. McIntosh went down to St. John last fall and requested us to stamp our bags "Canadian Grade A". He said "You need have no hesitation at all. You are putting up a first-class article and we want you to do it".

Q. Larger ones go to Montreal and you get better prices in Montreal than from Cuba?—A. No. There has not been a man who has shipped during the season to Montreal who has broken even this winter.

By Mr. Caldwell:

Q. Is the high rate to Montreal a determining factor in your shipment to Montreal?—A. Yes.

Q. If you had a freight rate such as in 1914, would you sooner load them to Montreal?—A. Yes, to some extent.

Q. In regard to Mr. Pirie's statement, would it not be possible there would be a mis-apprehension in Mr. Pirie's statement? Would it not be possible there would be a mis-apprehension on Mr. Pirie's part as to the time you went into the combine?—A. I presume he knows nothing about the time we made our agreement.

Q. You might both be right.—A. He is jumping at conclusions. That is all.

By the Chairman:

Q. You were selling your potatoes that you bought at certain prices from the farmers at a profit or a loss. What you have to do is, not simply to compare what you pay for the potatoes with what you sold them for in Cuba. You would have to compare them with what you bought them for and sold them for in Montreal or Cuba or in any other point where you sold them?—A. The way I would do it would be what I paid for them and what I received for them, plus the expense.

Q. All our comparisons now have been for prices realized in Cuba. That might give a fair or an unfair comparison, because I presume it does happen from time to time that a greater profit is realized by taking certain sizes of your potatoes to Montreal and selling other sizes of your potatoes to Cuba. —A. There may be sometimes, but during the past season, I might speak of a few cars I shipped out a while ago, that I billed through Montreal. I nearly had to take them back to St. John again, rather than sacrifice them on the Montreal market. All the potatoes I shipped to Montreal this year have been at a loss.

Q. The point I want to make is, that it is not fair to judge your business on what you pay to the producer in New Brunswick, and what you realize in Cuba, because you pay the producer for what you might call his "run of mine" on potatoes, the New Brunswick producer. You pay him a certain price for all of his potatoes, and then you send some of the potatoes to one market for which they are best suited, and send others to another market for which they are best suited, but every comparison has been between the price paid to the producer and the price realized in one market, without considering the other market.—A. Yes.

By Mr. Caldwell:

Q. I think he said there are seven members of the potato exchange at the present time. Who are they?—A. Porter & Company; Gallagher; Bohan Company; B. F. Smith & Company; Hatfield & Company; Nelles & Clark; Estey. There were one or two others that dropped out.

Q. Is Johnson a member?—A. No, Johnson dropped out.

Q. Was it larger at one time?—A. Yes. Benny McIsaac was in at one time. He has quit shipping.

Q. Is McCain in?—A. McCain is a member now.

Q. Was Pirie ever a member?—A. No.

Q. Or McLaughlin of Perth?—A. No.

Q. Nor Mr. Boyce?—A. No.

The CHAIRMAN: We are very much obliged to you for your information. Professor Swanson is here from Saskatchewan. He has studied rural credits. If you think well of it, I will ask Professor Swanson to appear before us to-morrow. He is a Professor of Economics in the University of Saskatchewan.

Mr. SALES: I do not think he would take over an hour.

The CHAIRMAN: We can have him to-morrow afternoon. I would be very glad to have him.

The Committee adjourned until 10.30 a.m., Wednesday, May 9th, 1923.

HOUSE OF COMMONS,
COMMITTEE ROOM 268,
WEDNESDAY, May 9, 1923.

The Special Committee appointed to inquire into agricultural conditions throughout Canada, met at 10.30 a.m., Mr. McMaster, the Chairman, presiding.

JOHN M. IMRIE, called and sworn:

By the Chairman:

Q. Mr. Imrie, what is your full name?—A. John M. Imrie.

Q. Where do you come from, Mr. Imrie?—A. I come from Edmonton, Alberta.

Q. You have come before us for the purpose of imparting some views which you have in connection with agricultural conditions in Canada, I presume?—A. I come here as representing a delegation from the Edmonton City Council and the Edmonton Board of Trade.

Q. Possibly you have some statement you wish to make. If so, we shall be glad to listen to you. Before you start, what is your occupation?—A. I am Managing Director of the Edmonton Daily Journal and the Edmonton Journal Farm Weekly, two papers.

Q. A daily paper and a weekly paper?—A. Yes. It is in regard to one aspect only of agricultural conditions that this delegation desires to make certain representations about. As a premise for these representations, I would like to bring forward the general proposition that in a new country like Canada, where agriculture is the basic industry and contributes largely to the country's export trade, it is essential to the general prosperity and future development

that every reasonable facility should be provided for the profitable marketing of the country's surplus agricultural products, because after all the soil is the true reproductive source of the nation's wealth, and there can be no national prosperity except as agriculture is prosperous. In the past we have paid a great deal of attention to matters of production, to improve methods of production, to increasing the yield from the soil. We have not paid quite as much attention to the marketing of the products thus produced.

The production of wheat in Canada has increased from 55,000,000 bushels in the opening year of the century, as you all know, to 399,000,000 bushels last year. All but 24,000,000 bushels of that last year's production was produced in Western Canada—93·8 per cent of the total, yet after producing the largest crop in its history, the West finds itself little if any better off financially than it was the year before. We grant at the outset that Canada cannot control the market price of wheat, but Canada may influence it to some extent. Above all, there are certain things that we can do within Canada to ensure that the world price of wheat shall be more profitable to our own producers, and it is on that point in particular that we have certain representations to make to you.

Let me recall that when wheat growing commenced in Western Canada there was only one possible outlet for that wheat. The Panama canal had not been built, even the first of our transcontinental lines had not reached the Pacific coast. So the wheat production in earlier years had to come east. In later years settlement in the West became more intensive, wheat production increased tremendously, additional facilities for the shipping out of that wheat were provided, but they were all part of that same original eastbound route. Finally the great Peace River country was opened up, and its farmers also were obliged to ship their products to an ocean 3,000 miles away, although another ocean affording direct access to the world's market at Liverpool via Panama was almost at their very doors. This forcing of our wheat production from the West through one channel, one neck of the bottle, and that one in which the cork was put by natural causes in December, has had its inevitable result. There has been a feverish haste to harvest, to thresh and to market the wheat. There has been a heavy demand upon our transportation companies to get it to the head of the Lakes before the freeze-up. There has been congestion there, and a heavy demand upon lake bottoms to get it down before the annual freeze-up. These conditions have created unnecessary harvesting costs, they have increased the burden upon the transportation companies for rolling stock, they have made it possible for the Great Lakes carriers to boost freight charges, as they did last year, and they have caused the dumping of almost the entire wheat crop of the West upon the world's market at one time, or within two or three months. This has had the inevitable result of diminishing the margin between the world's price and the price the farmer has received for his product. This is being emphasized at the present time, when that world's price is down so much, as compared with the price of the goods the farmer has to buy. This delegation is making no complaint on that score, its attitude is intended to be constructive rather than critical, and our constructive proposition is this, that the time has surely come when we must have two well developed outlets for Western Canada's grain, instead of one. We have the natural facilities for that outlet in the Pacific ocean and the Panama canal. We have the advantage of all year round access to the world's market.

By the Chairman:

Q. Pardon an interjection, Mr. Imrie. We have heard claims made on behalf of a third outlet, proceeding in a northerly direction. Have you any representation to make about that?—A. We have no constructive representa-

tions. It does not appeal to us in Alberta to anything like the extent that the Pacific-Panama route does.

Q. It is not that you like the Hudson Bay less, but that you like the Pacific more?—A. We have felt that the Hudson Bay route does not afford a practical solution to our problem.

Mr. SALES: May I point out that we had a discussion on the western route in the House, and most of the members are pretty well in line with it.

The CHAIRMAN: Mr. Imrie, you had better go ahead, you are doing very nicely now.

The WITNESS: We feel pretty keenly in Alberta on this.

By the Chairman:

Q. Go ahead, we are very glad to hear you.—A. We submit that the benefits resulting from the aggressive promotion of this westbound route would not accrue merely to these districts in the Far West whose crop would be moved that way, but that the benefit would accrue to all Canada, and particularly to all agriculture in Canada. The setting up of the new all year round route would have a wholesome competitive influence upon transportation charges via the eastbound route, and in that way eastern Saskatchewan, Manitoba and Eastern Canada—at least agriculture in these three districts—would benefit to a great extent, if not as much as would agriculture in the western half of the prairies. Of course, there would be a special and further direct benefit to agriculture in the western half of the prairies, because under present freight tariffs there is a potential saving, averaging in Alberta about 7 cents per bushel on freight shipments to Liverpool via the Panama canal. That saving is possible, notwithstanding the present freight rate on grain of 15 cents per bushel from Edmonton to Vancouver, a distance of 770 miles, as compared to 15½ cents from Edmonton to Fort William, 1,225 miles. Notwithstanding that differential, there is a saving of 7 cents, if westbound rates were put upon the same mileage as eastbound rates. There would be a further potential saving of from two to six cents, according to the points of shipment, that extra benefit diminishing in extent as the point of shipment is further removed from the Pacific coast. Even with rail rates as they are, there is that 7 cents saving.

By the Chairman:

Q. Mr. Imrie, tell me this. How far is the furthest point east from which it is profitable, at the present time, to ship grain out through the Pacific ports?—A. The breaking point of the two routes at the present time is a little west of the centre of Saskatchewan, under present tariffs.

Q. That is to say, even under present conditions it is cheaper to ship grain that is produced in the western half of Saskatchewan, and in all of Alberta, westward, rather than eastward?—A. Yes.

By Hon. Mr. Sinclair:

Q. Paying the mountain rate?—A. Yes.

By the Chairman:

Q. And the mountain rate would be higher than that in the other direction?—A. Yes, it is 15 cents per bushel for 770 miles, as compared with 15½ cents per bushel for 1,225 miles; that is, to Fort William, from Edmonton.

Mr. SALES: You will have to bear in mind, Mr. Chairman, that the excessive lake rates play an important part.

The WITNESS: Yes, but that is a condition we had to meet last year, and which we may have to meet again, if the production of wheat in Western

[Mr. J. M. Imrie.]

Canada continues even on last year's level, and a new outlet is not provided. It may be remembered that while we had last year the largest crop in the history of the West, there was a large part of the West which had a very light crop. If we had had a heavy crop all over, we would have been in a very serious position.

By Hon. Mr. Sinclair:

Q. Do you ever have a heavy crop all over?—A. No. However, we are great believers in the future.

Mr. MUNRO: Just in regard to the question of lake freight rates; they do enter into it, but not in the ratio the witness is quoting.

By the Chairman:

Q. The comparison you make is a comparison on the rail haul from points in Alberta to the Pacific, and from points in Alberta to the head of the lakes? —A. Absolutely.

Q. And the lake transportation costs by boat do not enter into your calculations at all?—A. Not at all.

Mr. SALES: Mr. Chairman, may I clear this up? Our grain is en route to Liverpool, no matter which way it goes, and the rail part of it is only a part of the cost.

The CHAIRMAN: Yes, quite so, but Mr. Imrie is placing before us an argument in favour of the westward shipment of grain from points in the western half of Saskatchewan and Alberta, and his argument is this. Even to-day, it costs, to take a bushel of wheat 700 miles in a western direction, 15 cents per bushel, and it only costs 15½ cents to take it almost 1,300 miles in an easterly direction.

Mr. HAMMELL: In other words, it costs 2 cents a mile, practically, to take it west.

The WITNESS: It is a little less than double.

By the Hon. Mr. Tolmie:

Q. And you go over a higher grade to Fort William?—A. Yes, than from Edmonton to Vancouver. That is a point that it is hard for easterners to believe, but it is absolutely true.

By the Chairman:

Q. What about the comparative grades on the C.P.R.?—A. That is a different story. I am speaking now of the rate from Edmonton via Canadian National, both ways.

Q. And your point is that there is a bigger hill to pull the stuff over going east than there is going west?—A. On the Canadian National there is. Of course, this question of freight rates is not the main point in our representation; I am merely pointing out that notwithstanding that differential there was a potential saving during this past season, averaging 7 cents per bushel from Alberta points, on the through rate from Alberta points to Liverpool via the Panama canal and the Pacific ocean, as compared with the through rate via the older eastern route.

Q. And you make the further point, as far as the Canadian National is concerned, that there is no physical reason for that difference in rate?—A. There is no physical reason that I can see; I do not claim to be an expert on railroad economics, but I have not been able to see any reason for it, and I do not think it is very strongly defended by the Canadian National as far as their own situation is concerned, but the situation on the C.P.R. is different.

By Mr. Hammell:

Q. Your wheat must have gone from Vancouver to Liverpool cheaper than from Fort William to Liverpool?—A. Yes.

Mr. SALES: Wheat will go the cheapest route, the same as water flows down hill.

Mr. HAMMELL: Yes, if there is a route.

The WITNESS: It will not go if there is no route, or if arbitrary difficulties are put in the way. Now, that 7 cents per bushel, if that had been available to the farmers of Alberta last year, it would have added ten per cent to their price, which is quite a difference to get from one thing, and if the rail rates were changed so that we were on the same mileage basis, there would have been a further saving.

By the Hon. Mr. Sinclair:

Q. How far east does the dividing line come?—A. It is a little west of the centre of Saskatchewan.

By the Chairman:

Q. On an equalized freight rate?—A. On the present situation.

Q. Supposing you had a situation where the freight rate was on an equal basis, an equal mileage basis, how far east would you get that grain as respects the shipment of grain more cheaply westward? -A. I could not give you the exact location, as we based all our calculations only on the existing tariffs. Under present tariffs, approximately one hundred million bushels of last year's crop could have moved to Liverpool via the westbound route more economically than by the eastbound route.

By Mr. Sales:

Q. Assuming that the rate will be the same from Vancouver as from Montreal?—A. No.

Q. From Fort William?—A. No, under present conditions it is lower.

Q. But you are assuming that that will be the case?—A. No, I am not assuming that. I am merely stating that under the tariffs that have existed during the last season, approximately one hundred million bushels could have been moved westward to Liverpool more economically than eastward. Now, I recognize that when a route is developed, there are going to be certain tariff adjustments, certain levelling prices, and that sort of thing. There are bound to be, but we claim that a second outlet is imperative, even if it does not increase by one cent the price of wheat to the farmers of the far west and the prairies. We claim that it will increase the price, that it will increase the price to the farmers of the west, because you are going to have two sets of transportation interests bidding for the carriage of the western wheat. You are going to avoid that annual congestion of the eastbound route, you are going to enable the farmers to spread their harvesting operations over a little longer period, and you are going to prevent the dumping of the wheat of the West upon the world's markets in two or three months. Let me make this point quite clear, although now I speak personally, and not for the Edmonton City Council and Board of Trade. I personally am not in favour of a compulsory wheat board. The newspaper I represent, although published in an agricultural community, is opposed to a compulsory wheat board from the drop of the hat, but we do say, let us make use of the transportation and economical facilities that we have, and it is not sufficient to say that we must not have a wheat board because it is not constitutional. We must have constructive as well as a critical or nega-

tive attitude towards this Western problem. Let me point out that 100,000,000 bushels which we say could be moved more economically westbound than eastbound, is slightly less than the quantity which was diverted at the head of the lakes last year to American lake ports and American ocean ports.

By Mr. Sales:

Q. It would be a good thing to stop that?—A. Our proposition is that if we could divert that westbound grain to Canadian ocean ports, we are doing a mighty good thing in the national interest, apart from the direct benefit to agriculture in Western Canada. But here is a situation in connection with that potential saving of 7 cents, with which you should be familiar. Eighteen and one-half million bushels moved westward to Vancouver of the present crop, up to and including the 30th of April. The great bulk of that was purchased from the farmers at or about the Fort William price basis. The potential saving of 7 cents did not go to the farmers; it went to elevator companies and to speculators. We are not objecting to that. Some one had to assume the risk, and there was a big risk, in order to point the way, but we do say, if there is that potential saving, it is in the national interest that it should go to the primary producers in order that their purchasing power may be increased, and the East has just as much interest in that as the West. No increase in elevator facilities on the Pacific coast can completely change that condition, because Alberta farmers and western Saskatchewan farmers cannot assume the risk of shipping on consignment to the Pacific coast. Vancouver and other Pacific coast ports bear the same relation to the westbound route that Montreal and Atlantic coast ports bear to the eastbound route. Now, if any farmer ships eastbound, it is all shipped on consignment to Montreal, or to the Atlantic coast. He always ships on consignment as far east as Fort William, and when his wheat is there on consignment there is active competition for it from Chicago and Buffalo, and from the Eastern interests of Canada and the United States, from Montreal, and from the different shipping ports down through the United States There is a variety in extent of competition that insures for the farmer with wheat on consignment at Fort William that he will get something approximating the top price of the day, but if the farmer ships westbound, with his wheat right at the Pacific coast, there is no such variety of competition. There is only one mill there for milling purposes, and little domestic demand, and there is only one possible way that it can go by export. It is right there at tide water, and so we submit that there must be interior reservoirs on the westbound route, even as there are on the eastbound route, to which the farmer may ship his grain on consignment, and have it brought up to export grade while it is still under his control, and at a point where it can be shipped via Vancouver, or to domestic mills, according as competitive bids may demand. There is the further fact, that if that grain is shipped by him to Vancouver, and is graded there as being unfit for export, the farmer has against him a surcharge of ten cents a bushel, being the difference between the export and domestic freight rate from point of shipment, and he has his damaged, rejected grain at a point where there is little demand for it, and is penalized with a 10 cents per bushel surcharge.

By the Chairman:

Q. What is the meaning of being penalized in that way?—A. There is a higher rate to Vancouver for domestic grain than for export grain, the same as there is eastbound.

By Mr. Sales:

Q. What do you mean by domestic grain?—A. Grain for domestic consumption. It is not going to be exported. The rate from Edmonton is 25 cents for export, or 41 cents for domestic consumption in British Columbia. There is a certain amount of wheat that is not suitable for export via the Panama Canal. You have to have dry wheat. There is a certain amount of wheat not suitable for export. If that wheat lands at Vancouver, and is rejected because it is unsuitable, and cannot be brought up to export demands, then it is classed as domestic grain, and the farmer has against him a ten cent per bushel surcharge, and he has his grain at a point where there is very little local demand for it.

Q. What about the grading service?—A. We say that there should be interior reservoirs where it can be brought up to export grade, where it can be brought and undergo such treatment as may be necessary to make it export grade if possible, and that should be done at a point where the farmer may know for a certainty that it is suitable for export before he assumes the risk of that 10 cents per bushel surcharge, and where it may be at a point where there is a domestic demand in the event of its being incapable of being brought up to export grade, and we submit that these cleaning, drying, and hospital facilities in connection with the reservoir feature should be at Edmonton on the line of the Canadian National Railway, and in the centre of the mixed farming district of the West, where there would be abundant demand for all the grain that might be rejected there.

By the Chairman:

Q. Your argument for the presence of elevators there seems to be a strong one, but is it your intention to submit that the State should supply these?—A. At the present time the State has supplied public terminal elevators, for Manitoba at Winnipeg; for southern Saskatchewan at Moose Jaw; for central and northern Saskatchewan at Saskatoon, and central Alberta at Calgary. The only large producing area in the West that has not these facilities is Edmonton. They are not so necessary as long as our movement was eastbound, but now we are entirely changing that situation insofar as Alberta and western Saskatchewan are concerned, and we submit that that portion of the country should be placed at least in as good a position as the others, and particularly so, because it is the proper point on the Canadian National system for the location of that interior reserve.

Q. Now, has the State supplied hospital and mixing elevators at other places?—A. All we ask is the same kind of elevator as the State has supplied at Calgary.

By Hon. Mr. Sinclair:

Q. If the Hudson Bay route develops, how would it affect what you are after? Would it still be necessary?—A. It think it would be still necessary.

Q. Would it affect the rate?—A. You mean, the division of territory that would be tributary?

Q. Yes?—A. We do not know what the rate will be via Hudson Bay, and we cannot figure it. We think the Hudson Bay route is still too nebulous.

Q. And it is open for a very small period of the year?—A. Yes.

By Mr. Hammell:

Q. Are we to infer from your remarks that the Government would be better advised to spend money in developing the Pacific route?—A. As far as Alberta and the western half of Saskatchewan is concerned, certainly. As far as our territory is concerned, there is certainly much better prospect of activities via the westbound route than by Hudson Bay.

By Hon. Dr. Tolmie:

Q. In one case you have a sure thing, and the other is still nebulous?—A. Yes. In Edmonton we are influenced by our nearness to the Pacific coast, and we have a certainty. Our proof of two seasons shows that can be done. The other route is nebulous.

By Mr. Munro:

Q. What is the rate from Edmonton to British Columbia?—A. Ten cents per bushel.

By the Chairman:

Q. Do these public supplied elevators pay their way?—A. Some of them do not. It depends to a great extent on the extent to which they are used, and that of course depends somewhat on the location, Calgary did pay its way.

Q. I suppose what Calgary can do, you people in Edmonton feel that you can do?—A. Yes.

Mr. SALES: As a farmer living in Saskatchewan, I never use these elevators. My experience is that they are never used except in case of blockade.

The CHAIRMAN: I may be very old-fashioned, and very conservative in my outlook, but I am getting frightened at the demands that are being made on the public treasury of this country from all over the country, and I am afraid that it is going to pile up annual interest charges upon us that are going to overwhelm us; but do not let that affect your very interesting and eloquent way of presenting your case.

WITNESS: On the other hand, we are faced with this situation, that rightly or wrongly we have grown up with the West, and built up the West, and, with the building up of the West, eastern industry has been built up. If we look back over the history of industry in Eastern Canada, we find that its growth was comparatively slow until the West began to grow up, and during the ten or twelve years during which immigration was coming into the West, new towns were being built up and we had unprecedented prosperity, and now that the purchasing power of the West has diminished, the East is feeling very keenly the resulting effect.

Q. They are coming before us, and they are telling us with sobs in their faces, that unless the subsidies that they get from the State are maintained, they are going out of business.—A. There is a way in which we can restore the purchasing power of the West. When we have created a situation where new demands, or where purchasing power has been restored, and where we have a good proposition, we will go and ask other countries to come in and share our lot.

By Mr. Robinson:

Q. Does not the fact that most of the wheat goes eastward—does not that have a tendency to make these high prices on the lakes possible?—A. Unquestionably.

Q. And if you had another alternative route, it might benefit the people in Manitoba?—A. Yes. There is the competitive element which does not exist to-day.

By the Chairman:

Q. If you have two roads to market, on both of which you have to pay, it is a good thing to have these two roads rather than have one.

Mr. ROBINSON: Of course, the witness has emphasized why it would favour those who were west of a certain point. If what he says is true, it would also favour those who are east.

The CHAIRMAN: I do not think there is any difference of opinion as to what should be done. It is a question of money.

By Mr. Hammell:

Q. Taking into consideration the economic condition of the country as a whole, do you think it is advisable at this time, and when we know we have a route that can be developed westward, to think of going out through the North Pole?—A. Personally, I do not. Could I answer the point the Chairman raised about the elevators, and the question of investment and return. The kind of facilities for which we have been asking have been provided by the State in connection with the eastbound route. We canot develop the westbound route without similar facilities, not at present at least, because the route for some time to come cannot begin to handle as much as the eastbound route, but we must have those facilities if we are going to develop that second outlet, and the total cost of the facilities that are required at Edmonton I do not think will exceed one million dollars, and there is the further factor, that central and northern Alberta suffer more from moisture than from drought, and the Panama Canal requires dry grain. If we had had last year a normal year in central and northern Alberta, the grain of that part of the country could not have gone via the Pacific, because there were no drying facilities there, and Vancouver could not have begun to handle it, and there must be, if we are going to develop the Pacific route, reservoirs that can be drawn on that will insure a steady flow. Say you have half a dozen different grades. It takes no time to get your terminal facilities crowded. If you have your interior reservoirs, then you can wire to ship forward so much of such and such a grain, according as the export demand from week to week may determine.

By the Chairman:

Q. When were those State elevators put up at Calgary and Saskatoon?

By Mr. McKay:

Q. And the Coast?

WITNESS: I am reading now from the report of the Grain Trade of Canada, 1921, page 1551. It gives the date of the Saskatoon elevator, October 12, 1914; Moose Jaw, October 14, 1914; Calgary, September 1, 1915, and Vancouver, November 30, 1916.

By the Chairman:

Q. Most of them were put up before our debt came to the proportion which it is at present. I may be wrong, but that is my feeling, that a lot of people in this country have not appreciated our financial condition yet, that things that we could finance before the War are impossible now, because we have an annual interest charge greater than our whole expenditure was before the war.—A. I assume that, but, if you will pardon me, Mr. Chairman, I think the point you have made is perhaps the strongest argument I could make for the promotion of the westbound route, if we are going to get rid of the national debt, and if we are going to build up this country for immigration, and our big problem is the psychological one. It is more serious even than our economical ones. It is no use concealing from this Committee the fact that the Western agriculturalist is in a state of discouragement—in a state of hopelessness. We have seen the people leaving the country. I do not want to paint a picture of calamity; that is not the way I feel; I have greater faith and hope in the West than ever I had. But we are faced with certain conditions, and the most serious condition is the psychological one, and I know all of them, and I know

of none that would contribute to bring about new hope and courage and inspiration to the farmers in Western Canada than the visible element of the determination to promote agressively this westbound route, and to provide such facilities that will insure to them two at least, instead of one, as at present.

Q. If this elevator is really needed at Edmonton, will not private capital be found to invest in it?—A. I do not think so, and for this reason. As I have said, we were looking for that elevator. The farmers cannot take the risk of shipping direct, and getting the saving for themselves. The saving is now going to private elevator companies. There is no inducement for private interests ordinarily associated with elevators to erect at Edmonton an elevator that is going to make it possible for the farmers to say: "We are going to get this saving."

Q. I am not putting the objection. It is not the duty then of the farmers, co-operatively, to get such an elevator for themselves? I am frightened at the demands that are being made on the State all the time. I do not know where they are going to land us finally. It was all right when we had a national debt of less than $400,000,000, and one railroad carrying wheat. Now we have a national debt which is into the billions.—A. Yes, and we have a national railway that is costing sixty to seventy million dollars a year, and the national railway runs through the central, and I believe part of the western, but not through the southern part, and if it is to get anything like its fair share of the westbound business, it must have on its railway the same facilities as the privately owned railway at Calgary, because at the present time the lack of those facilities is imposing a tremendous handicap on the Canadian National. I have nothing against the Canadian Pacific, it has done wonders for the development of the West, but I am merely pointing out the situation.

By Mr. Munro:

Q. Which would you prefer to do, if you had a million dollars—build elevator equipment such as you suggest, lend the money out at cheap rates to farmers?—A. In so far as Western Alberta is concerned, I think every farmer would agree with me that the best use of the million dollars would be to build the elevator, and this project has been endorsed by more than 200 boards of trade and farmers' organizations.

By Hon. Dr. Tolmie:

Q. Is it not suggested in the West that if we are going to meet this production, and if we are going to meet that debt, we must have facilities to handle our wheat?—A. Absolutely, and we must pay more attention relatively to marketing, and to the cost of marketing, than we have in the past.

By Mr. Sales:

Q. Don't you think we have done very well? We voted five million dollars towards the development of the western route for elevator facilities at Vancouver?—A. That has been a mighty step forward.

Q. Don't you think that is good work?—A. It has been very good, we appreciate it tremendously.

Q. Are you suggesting that the farmer will ship his grain from Edmonton westward, have it dried, and then ship it back eastward?—A. No, I do not think that a bushel of that grain that goes into the elevator will go east, but having it there, getting it classed into condition for export, and having it still under control, he is in a position to hold it until he gets the price. For a large portion of central and northern Alberta, the grain would have to go to Edmonton to go East. Edmonton is the centre of more branch railway lines than any city west of Winnipeg, and they are mostly Canadian National, and the grain of a very

large producing area would have to come into Edmonton in order to go east It is merely a stopping point for either route, and is in a position to hold it against competition, if it is either east or west, from other milling interests that are in Alberta.

Q. Where are your milling interests in Alberta?—A. Calgary.

Q. Have you any in Edmonton?—A. We had two mills, but they are closed down. If we get an elevator it will be a very short time until they are both running, but there are certain uses they can make of elevator by-products.

By Mr. Robinson:

Q. They could ship either East or West?—A. Yes, they could, from a good many points in Central and Northern Alberta, that have to come into Edmonton in order to ship East.

By Mr. Sales:

Q. You would do better to turn your energies at present towards securing a reduction on the C.N.R., according to what they can haul. They can haul a great deal heavier load than the C.P., and there is no reason why the C.N.R. rates should be based on what the C.P.R. can do. Have you thought of that side?—A. Yes we have thought of that and that is a big question. We think we are going to get that reduction in rates going West.

By the Chairman:

Q. What proportion of the Western wheat crop is raised west of this dividing line in Saskatchewan you speak of?—A. On last year's figures about one-third. Over 100 million bushels. There were 375 million raised in the West last year and we had a short crop in Central and Northern Alberta.

By Mr. Sales:

Q. What proportion of that would go to Edmonton?—A. During the present year 37 per cent of the wheat shipped to Vancouver went through Edmonton.

By Mr. McKay:

Q. 37 per cent of 18,000,000 bushels?—A. Yes, went through Edmonton.

By the Chairman:

Q. But your idea is that the 100 million bushels would find their way to market through the Western ports?—A. Yes. I don't mean in one year. But that is a logical expectation spread over the next two years.

Q. You would arrive at that annually, and of course a very few cents per bushel would build your elevator?—A. Yes. The thing is to get it started.

By Mr. Sales:

Q. What are the ships carrying to Vancouver at the present time? You must have bottoms going into Vancouver, and what do they carry?—A. I was in Vancouver in February and personally looked into that question of return cargoes, and I secured a list of all the vessels that had taken wheat out of Vancouver during the present crop season. And approximately 50 per cent of them had come light to Vancouver in order to get a wheat cargo, some of them coming light all the way from the United Kingdom. Wheat is considered a very desirable cargo. It is considered desirable as a part cargo along with other things, and boats have been coming light to Vancouver when they could not get business, in order to get that cargo.

Q. If you had a much lower tariff on goods from Britain, they would be carrying goods from Great Britain, and that would reduce the cost of your

wheat transportation?—A. Unquestionably. The British Columbia people can Alberta too, are counting something upon the effect of this westbound route, the development of it. It is going to produce incoming freight, and it will have the effect of reducing incoming freight rates.

By the Chairman:

Q. Increasing the volume of freight and reducing the charge?—A. Yes. At the present time Alberta is at the apex of the present freight rate structure. That is on account of her position. We have a higher freight bill to pay and a lower price per bushel for our farmers than any part of Canada, because we are at that apex.

Q. Because on the present conditions you are the furthest from the market? —A. From the Atlantic, yes. Now it is a fair principle that if certain aid is to be given it should be given to the territory that is suffering most under the present conditions, and that is why we are looking to the development of the westbound route, as enabling us to take advantage of our geographical location in relation to a second advantage which our position denies us.

By Mr. McKay:

Q. How does Prince Rupert compare with Vancouver as a shipping point? —A. At the present time Prince Rupert has no grain elevator.

Q. But speaking of the natural selection of that port?—A. Prince Rupert is in a favourable position as compared with Vancouver on shipments to the Orient, and we are now developing a grain and flour trade with the Orient. That is another argument for Edmonton being the interior reservoir, because it would feed the straight line to Prince Rupert as well as the southwesterly line to Vancouver.

Q. How many bushels went to Prince Rupert out of that 18,000,000?—A. To the Orient, 3,023,000 of wheat. And of flour 396,000 barrels up to April 30.

By Mr. Sales:

Q. Have you any figures to show how that trade is developing?— A. No, I am sorry. Do you mean of the total export trade?

Q. I mean regarding grain and its products.—A. The year before there was a little less than nine million bushels went by Vancouver as compared with eight and a half million up to April 30.

Q. But to the Orient? I am wondering whether the Chinaman and the Jap, are learning to eat white bread?—A. There have been three successive short crops of rice in the Orient, and that has caused many of them to consume white bread for the first time, and is creating an increased demand for wheat, and Canadian hard wheat is required to mix with softer grades from Manchuria, Australia, and Portland, Oregon, in milling the right kind of flour. I have not the Orient figures here for the previous years. But there has been a very great increase in the last three years in the shipments to the Orient.

By Hon. Dr. Tolmie:

Q. Where did you say they used the Oregon soft wheat?—A They use a certain amount of Oregon soft wheat both in Japan and China, and Canadian wheat is being mixed with it there in order to bring up the standard and make a harder composite wheat.

Q. Do they produce that soft wheat in Alberta known as the pastry wheat? —A. We have sometimes wheat which being in a slightly damaged condition approximates to it, but the kind of wheat we aim to produce is not that, and the great majority of it is not.

APPENDIX No. 3

By Mr. McKay:

Q. What would be the cost of the elevator you speak of, a million dollars? —A. I think that would provide the unit that would be necessary to take care of the present business.

Q. What should be its capacity for work?—A. We do not feel competent to state what the capacity should be. We take it that if there is a feeling that it should be provided then experts will study the situation and decide on that.

Q. You did not give us the cost of those built in 1914, 1915 and 1916?—A. I have not the cost of them but the Government records will no doubt show that and I will get them if it is desired. There are some other points in connection with the need of an elevator there. There is the question of screenings for instance, which run at the rate of from three to ten per cent of the wheat. It is necessary to take that weight over the mountains to Vancouver.

By the Chairman:

Q. You should not say the mountains, because the grade is lower, it is not a mountain grade?—A. But it is 775 miles, and even over a flat country that should not be done when there is an infinitely greater demand for screenings right in Edmonton.

By Mr. Sales:

Q. Your farmers should grow clean wheat or clean it at home.—A. Yes, but we cannot grow absolutely clean grain. There must be screenings, but they should be eliminated close to the source of production and save the freight both out and in. At the present time we are bringing screenings from Fort William. After we have paid the freight on them to Fort William, we bring them back to Edmonton to use in stock raising and mixed farming. In December we brought back ten million pounds of screenings from Fort William, and yet we wonder what is the matter with farming. We pay the freight to Fort William and back on ten million pounds of screenings.

The CHAIRMAN: Would it not be possible to clean that on the farm?

Mr. GARDINER: No, Mr. Chairman; it is not poor farming. It is a question of money. If a farmer has not sufficient granary room and has to pile his wheat on the ground, it is impossible for him to screen it. If we get enough money to provide these facilities, we can do it but at present we have not those facilities.

The CHAIRMAN: I suppose there are weeds on the best kept farms, just the same as the most careful merchant has bad debts.

Mr. SALES: We have what is known as pigweed, which is very difficult to eradicate.

Mr. GARDINER: I could tell you of that, Mr. Chairman. I had clean land up to one year, and the next year there was ten per cent of pigweed, and I never had had pigweed on the farm before. It comes with the wind probably.

The CHAIRMAN: And from birds, I suppose.

Mr. GARDINER: Yes, that is a factor.

The CHAIRMAN: I remember hearing that mustard seed will lie dormant in pasture land for 20 or 30 years, and when the sod is broken up, then up comes the mustard.

Mr. GARDINER: Farming around Edmonton is more or less turning to mixed farming.

The WITNESS: That has the further great advantage of building up territory that is tributary to our national system.

By the Chairman:

Q. Can you give any information with regard to the Peace River District and the conditions under which the farmers are working there at the present time, and the freight rates into Edmonton, and whether they are on the same basis as the rates from Edmonton eastward?—A. I do not live in the Peace River country, but I have been there; I can speak only from general knowledge, if you want that?

Q. Yes.—A. The Peace River District is north and west of Edmonton. Grand Prairie is either 402 or 410 miles from Edmonton, north and west. Unquestionably a long way. The district is the last great west and it is a long way from the present markets; eventually it must have a direct outlet to tidewater on the Pacific; it is too far from the present markets by the present routes to make wheat raising profitable. The farmers there must meantime give special attention to production in concentrated form, prducting the maixmum value for a given rate. There is no comparison for instance between the freight charges on a dollars' worth of butter and on a dollars' worth of oats. That is poor comfort for the Peace River settlers in their present situation, and as I say eventually there must be a direct outlet to the Pacific Coast for that country.

By Mr. Sales:

Q. There is some talk of building a line into that country?—A. From Brule to Grande Prairie, that is on the Canadian National. It would serve all that portion of the Peace River except that immediately contiguous to Grand Prairie because the bulk of the prairie wheat producing area is north of the Peace; the crossing of the Peace is closer to a straight line north and south from Edmonton than Brule, with better grades on the E.D. and B.C. to the top of the Peace River Valley from Edmonton, and a shorter distance, I am not sure of the distance, but I think it is approximately the same. There is no question about the grade, and wheat from the north of the Peace would continue to come to Edmonton even though the Grand Prairie-Brule line were built, because it is the only crossing of the Peace, and the bridge was built having in mind the line to Edmonton rather than the proposed line to GrandPrairie.

Q. You would not suggest that it should run back east 200 miles and into Edmonton?—A. Oh no.

Q. Therefore you will have to have facilities in Vancouver as well?—A. They are there now, but the building of the Brule Line, if it were built, would not affect, or at least would effect in an infinitesimal degree, the argument for elevator facilities at Edmonton, because the grain that would be tributary to the Brule Line would be a small proportion of the total grain of Central and North Alberta and western Saskatchewan. I think that covers all I have to say, Mr. Chairman.

The CHAIRMAN: We are very much obliged to you indeed. And we appreciate the very interesting manner in which you have placed your case before us

By Mr. McKay:

Q. Just one moment. Tell us something about the process of drying wheat? —A. Now you are getting me beyond my depth. When I come to a point where I don't know, I must say so.

The CHAIRMAN: That is a very wise decision. I understand that Mr. Campbell is here.

The WITNESS: Mr. Campbell has an appointment with one of the Ministers at eleven and probably is still engaged with him.

By the Chairman:

Q. I suppose Mr. Campbell's views would be along the line you have so ably expressed?—A. Very much along the same lines.

The CHAIRMAN: Then we will take his evidence as read. Have we any more witnesses for to-day?

Witness retired.

Mr. GARDINER: Mr. Swanson at four o'clock.

The CHAIRMAN: Yes, at four o'clock this afternoon Professor Swanson will speak to us on rural credit. I was very sorry not to be here when we had the other two experts on rural credits. Have we anyone else in the Committee room waiting to be heard to-day?

Mr. BLATCHFORD: I was notified to appear here to-day, Mr. Chairman. I am doubtful if I can say very much.

The CHAIRMAN: We shall be glad to hear you.

KENNETH BLATCHFORD sworn and examined.

By the Chairman:

Q. What do you do?—A. Superintendent of adjustments for the Carr and General and the National Provincial Hail Insurance Co. of London, England.

Q. You are an insurance man?—A. Yes, hail insurance.

Q. You protect against water rather than against fire?—A. Yes.

Q. Where do you come from?—A. From Edmonton.

Q. You are here to-day and you have something to tell us?—A. Mr. Imrie has covered the matter very fully, I must say, and I am doubtful if I can say very much more than would give you any information of any value. I might say this however, that I am a westerner, and the western people think that they have something coming to them from the railroads. The pioneers of Edmonton and Northern Alberta went in there forty years ago with the expectation of being ahead of the railway, of the C.P.R., which was surveyed through the Yellow Head Pass. They waited for a number of years and finally there was a change of route of the road, anad it was put through the Kicking Horse.

Q. What did they do that for when the other route was so much easier grade?—A. That is hard to say. They have 240 feet to the mile grade, where they could have got a one per cent grade through the Yellow Head. However, they went through the Kicking Horse, and that is one of the causes of inflated freight rates to-day in the Rocky Mountains. The C.N.R. can haul grain and commodities for any other trade just as cheaply in the mountains as it can on the prairie, for the mountain grade is even lower than it is on the prairie. We had to wait for thirty years for a railroad, and finally in 1906 the Canadian National, that is the Canadian Northern then, built in, and eventually on to the coast along with the Grand Trunk. To-day we have a thousand miles of railway running into the north country; we have twelve passenger trains running out of the city every day, and twelve passenger trains coming in.

Q. Do you think they are justified by the traffic, having as many trains as that?—A. It is a big country, almost as big as Germany, the northern part of it.

By Mr. Sales:

Q. Is there a big traffic on all those lines?—A. Yes; they have cut it down to the minimum; there were more than that in the boom days.

After the road was constructed we did not get the benefit we thought we were entitled to. To-day we are paying 15 cents a bushel on a 700 mile haul where we paid 15½ cents for a 1,280 mile haul.

Q. The Chairman says we should have a survey of our railroads as to what is paid and what is not, because this is very important; I do not believe we have a mile of railroad between Winnipeg and the Rocky Mountain that is not a paying mile?—A. Yes.

Q. The CHAIRMAN: You will agree with Mr. Sales about that?—A. Yes. I can tell you that the Rocky Mountain construction on the C.P.R. cost less money than the road built east of Fort William, I think it is $52,000 a mile as against $58.000 a mile, yet we have to pay through the nose, and there is a continental line owned by the British Empire, and engirdling the earth, and the British Empire sent boats to protect it on the Pacific coast, to keep it open during the war, yet for 150 or 200 miles of bad pass through the Kicking Horse the people of Western Canada have to pay through the nose in freight rates. More than that, when we ship our grain to the Pacific coast at 15 cents a bushel we have a back haul of lumber, fish, fruit, and such like, and we have to pay an inflated rate back again; it costs us $7 a thousand more to deliver lumber in Edmonton than it would for the same mileage in Ontario; it costs us 40 per cent on rice, and so we are getting it going and coming.

By the Chairman:

Q. Or rather it is being taken away from you going and coming?—A. Yes. We have a great country there, and we have faith in it. I have gone through crises before. In 1897 during the Klondyke rush many went and left the country, but they came back; and they are going to the States to-day, but they are going to come back, because I came from the States the other day, and while that country is booming now it won't always boom; there is always a back wash, and our time is coming, and we want to have something to offer to the newcomer in Western Canada. As far as an elevator is concerned in Edmonton it is very necessary. It is necessary for the Canadian National Railway for one thing, that is it will give them a great amount of freight haul, and naturally they would make a profit where they have a 1 per cent grade against the C.P.R. 2.40. More than that, our screenings should be fed to live stock. To-day we are paying $28 to $30 a ton for screenings, almost as much as wheat is worth, pay freight down to Fort William and pay freight back. Of course it is chopped then. They have to chop it before they can take it, because if it is put in the wagon box and delivered to a farm it will drop out and spread through the country, and it will seed the country.

Q. Is screenings composed mostly of wheat?—A. Buckwheat, cracked wheat and small wheat, and grain that might be shrunk up.

By An Honourable Member:

Q. Does this chopping get rid of all your noxious weeds?—A. They claim it does.

By Mr. Hammell:

Q. It is very finely ground?—A. Yes.

By Mr. Sales:

Q. Why don't you buy shorts and bran from Calgary Mills?—A. The Calgary people benefited to the extent of 5.000 head of sheep that topped the market.

Q. But why do you not buy bran and shorts from the existing mills?—A. We have no mills in northern Alberta running.

Q. You have at Calgary. It is surely cheaper to get bran and shorts from Calgary than to bring screenings from Fort William?—A. We have shipped in several hundred carloads of screenings to northern Alberta.

Q. Is not this a fact that the man in Calgary sells his wheat on Fort William basis, the mill by reason of one cent per hundred is enabled to carry flour and grain products down there on the freight the farmer has already paid?—A. Yes, but bran and shorts to-day are not to be compared with the bran and shorts twenty years ago; they have such fine machinery to segregate it and screen it that it is not near as valuable as a food for live stock.

Q. That is the extraction is greater, they get more flour to the bushel?—A. Yes.

Q. Have you noticed any difference in the price of flour?—A. No. The bran flour they use for making brown bread and such like; there are two or three classes, but as far as the feed bran is concerned—

Q. Mr. Imrie talks about your having two mills in Edmonton; in my opinion two mills in Edmonton won't be worth that much to you (snapping his fingers) because your flour won't be one bit less, and your bran and shorts won't be one bit less?—A. We have had a mill operating for a number of years but it is not operating to-day and several of the directors are dead. They were in a position to ship in No. 1 hard wheat and make flour that would compete in the Orient. They shipped most of their flour to the Orient. To-day they are not financially fixed to handle grain in large quantities, and the result is the mill has been tied up.

By the Chairman:

Q. You confirm I am sure, all that has been so well said by Mr. Imrie?—A. Yes. I just want to impress upon this committee though the freight rate situation. We are entitled to consideration on freight rates. I know it is in the hands of the Dominion Commission, but until we get a reduction of freight rates we are going to be in bad shape on the ragged edge of the mountains.

Q. How do the rewards given to railway men compare with the rewards earned by other people in other lines of activity in this country?—A. You mean the wages, salaries they are getting?

Q. Yes?—A. I think they are getting top notch wages.

Q. Are they in line or out of line with the rewards which are obtained by other people in other lines of business?—A. Well, I am not in a position to say that.

Q. There is not much use saying to your railways "Give us cheap transportation" if you are not prepared to tell the railways how they can do it?—A. No, but we think the whole of the Dominion of Canada should shoulder the Rocky Mountain rate, because on the Canadian National there is no such a thing.

By Mr. Hammell:

Q. Why not let the C.P.R. shoulder it?—A. The C.P.R. has been trimming us for thirty-five years, and they will do it for another thirty-five years if they are allowed.

By Mr. Gardiner:

Q. You mean by that that the day is coming when there should be an equalization of freight rates throughout the length and breadth of Canada?—A. Yes. You have coal and wheat going to Fort William. Just to show how the farmer gets it, a ton of coal shipped to Fort William costs $5.50; a ton of wheat costs $6.20.

By Mr. Hammell:

Q. Which is the easier to handle, coal or wheat?—A. I am doubtful, in these terminal elevators they just dump those cars—

By the Chairman:

Q. Would not the wheat require better cars?

By Mr. Hammell:

Q. Coal is carried in open iron cars?—A. No, the Canadian National and the C.P.R. when they get all their cars loaded with grain going east to the head of the lakes they make contracts with the Pennsylvania Coal Companies to haul coal back into our territory, taking it back in the wheat cars right into Manitoba and Saskatchewan where our market is supposed to exist.

Q. Most of the coal that comes into this part of the country comes in open cars, coal cars? - A. I don't think the Canadian National and the Canadian Pacific lines in the west have real high class equipment for coal. There is nothing more that I can say.

The CHAIRMAN: We are very glad to have your views, which we have enjoyed listening to very much.

The Committee adjourned until 4 p.m.

Afternoon Session

The Special Committee appointed to inquire into Agricultural Conditions throughout Canada resumed at 4 o'clock, the Chairman, Mr. McMaster, presiding.

The CHAIRMAN: Will the Committee please come to order. Mr. Blatchford, it has been intimated to me by one of the members of the Committee that you have a few words to add to the very interesting evidence you gave us this morning. If that is the fact, you might just come forward.

KENNETH BLATCHFORD recalled.

The WITNESS: I do not know, Mr. Chairman, that I have anything to add, but there are some Peace River gentlemen here, and they wanted my opinion in regard to the cut-off line. As far as I am concerned, and I think as far as the average business man in the city of Edmonton is concerned,—

By the Chairman:

Q. What is that?—A. That is the Brule Line, the short line.

Q. You must not talk as though we knew all about this cut-off line.—A. In regard to the extension that they were asking for.

Q. What is that extension? You know there are a good many railways asked for by the Western people.—A. I understand the Peace River people are asking for a short route to the main line of the Canadian National, in order to get their grain to the Pacific Coast, and they are under the impression that there is some opposition in Edmonton, but as far as I am concerned, and as far

as the business people I know are concerned, they are not opposed to it, because a bankrupt country like the Peace River country is to-day, is of no value whatever.

Q. Do you think these gentlemen wish you to characterize their country in those terms.—A. I mean this, that they are unable to pay their bills. Edmonton merchants, bankers, and wholesale houses have financed them, and unless they get some method of getting their grain to market, we will never get our money out of that country; therefore, it is a white elephant to the balance of the province.

By Mr. Robinson:

Q. The impression was given this morning that they could wait for an outlet; that is not exactly right?—A. They cannot wait a minute.

Q. Mr. Imrie gave an impression that the Peace River district could wait for an outlet; he gave that impression, I do not know just his words.

By the Chairman:

Q. Anyway, you wish to disabuse the Committee from the idea that this can be delayed?—A. I want to assure the Peace River people that we are only too anxious to see them get something to pull them out of the hole.

The CHAIRMAN: Very well. Now, we will call on Professor Swanson.

Witness retired.

W. W. SWANSON, called and sworn.

By the Chairman:

Q. Your full name, Professor, please?—A. William Walker Swanson.

Q. With what university are you connected?—A. The University of Saskatchewan.

Q. What chair do you occupy there?—A. The chair of political economy.

Q. Now, Professor Swanson, you have very kindly acceded to my request to come before our Committee, which is engaged in an investigation into agricultural conditions in Canada, and among the subjects which we have been investigating is the question of rural credit, and we would be glad if you would give us your views on rural credit, as well as on any other subject touching the matters we are now having under investigation. I understand you would like to make a preliminary statement first, and we would be very glad to hear that. I do not know how you are accustomed to lecture, sitting down or standing up, but do as you are accustomed to do in addressing your class.—A. I am accustomed to standing up. I think that I should like to make a preliminary statement, in order to clear the ground for what I have to say about rural credit, one of the most acute questions that confronts the agricultural community to-day. The reason why credit has become such an acute question is due to the difficult situation in which the farmer finds himself at the present time, and indeed, to the situation in which he has been placed during the last three years, notably. If other factors had not intervened, the problem of credit, while it would have been important, would not have been of the urgent importance that it is to the people of the West at the present time. The other factors in the situation, of course, are the chaotic conditions that prevail in Europe, the very high cost of production that faces the farmer, an inadequate labour supply at necessary seasons of planting and of harvesting, and the excessive transportation rates, and the like. All these together have placed upon the farmer a burden that has

become in many districts in the West, I think I may advisably say, insupportable. He is being slowly crushed up, in many communities. We must not forget, Mr. Chairman, that the individual man, even if he has his land and even if he has control of his own labour, and even if he has extraordinary—not to mention normal—ability as a manager, and even if he has the equipment, cannot achieve success if he finds himself in the clutch of circumstances over which he has no control, and I submit that at the present time there are many of our farmers who are precisely in that position. They are in that position because of the demoralized condition of the great consuming markets of the Old World, in part, and in part because, with respect to their livestock particularly, they have been excluded under the Fordney-McCumber Tariff Bill, from the markets of the United States. These European questions, we are often told, do not intimately concern us. It is said that if we begin to build up our economic life at home, we can ignore what is going on in the rest of the world. It is a mere platitude, but I think we need to repeat that platitude, even if it becomes a common thing, that the whole world is knit together economically. We cannot have that thing that is called "spotted prosperity". It is impossible. No nation can flourish unless the other nations of the world flourish also. It is a simple fundamental economic fact that is often ignored. May I say that the merchant in a properly restricted neighbourhood, finds it absolutely impossible from an economic standpoint, to make progress, and so a nation, even of the financial strength of the United Kingdom, surrounded by nations whose economic foundations have been levelled off or weakened or have crumbled, cannot achieve success, and if the United Kingdom is not strong financially, of course we will suffer with respect to our chief market, and with respect not only to the volume of goods, but with respect to prices. Now, there is one great aspect, I think, in the European situation to-day that is usually overlooked, and that contains a significant lesson for us in Canada. I refer to inflation. There are some people who want to follow the cheap and easy expedient of financing the needs of this country by issuing paper money on the part of the Government. I do not say that is wide spread, but there are some who think we can achieve prosperity by merely accumulating a larger fund of paper money, so called capital. In Germany, and in France, in Italy, in Poland, and in Russia, the inflation that has come about by the enormous increase in the output of paper money, has resulted, in my opinion, in a capital levy. It has often been said that it is impossible, under our modern economic conditions, to impose a capital levy on any people. That is precisely and actually what has happened in Europe. The capital levy has taken place, because men have been obliged to give up—not of their own will, but by necessity, legal and economic necessity—they have been obliged to give up property and take in return a depreciated and a constantly depreciating paper currency. The time is rapidly approaching when Germany, in order to restore soundness of economic health, must abolish the paper money, or reduce it to some relation that can be understood, not only at home but abroad, to the gold basis, and the same is true of France. I do not want to take up your time in speaking about the invasion of the Ruhr, but that invasion of the Ruhr touches us. It touches us because it keeps millions of producers in Europe from getting down to the fundamental business of producing those commodities, by means of which they are enabled, through exchange, to buy our products. The buying power of Germany and France and Italy and Poland and Russia has declined to such an extent that conditions in Canada, and in the United Kingdom and other nations that are in a stronger position, are serious enough to-day. It will not do to say that those nations that were not touched by the war are able to rehabilitate their economic life. Spain, for instance, was not touched directly by the war, Spain was not invaded, Spain was not drawn into

that great struggle, Spain has its land intact, all its capital equipment intact, all its labour power and yet Spain has suffered terribly in the last few years, owing to the loss of her former markets.

By the Chairman:

Q. As a matter of fact, Spain accumulated a lot of gold during the war, did it not?—A. Spain, during the time of the war, of course, flourished, but just as many merchants flourished during the war. Many of them are ruined to-day. Now, this problem, of course, is also linked up with the question of reparations. I do not intend to go into that to any extent, except to say that if the United States want Great Britain to honour her word—and Great Britain has always honoured her word—it is a sheer impossibility to expect Great Britain to send gold to the United States in sufficient volume to pay four thousand odd million dollars.

Q. Per annum?—A. Four thousand odd million dollars, or four billion dollars. It is a sheer impossibility, or to send securities, because Great Britain sent to the United States during the war over three and a half billion dollars of securities. I think the United States not only ought to take a part, because they claim to be a great moral leader of the world, and the United States is a great enlightened nation, and I have nothing to say by way of disparagement of the republic, but not only should the United States take a part in the League of Nations and play its rightful role as one of the leading democratic powers of the world, but the United States must learn that it cannot lift itself into prosperity by injuring other nations through a protective tariff. Only a few years ago we bought from the United States one thousand million dollars worth of goods. Last year we bought only 520 million dollars' worth. The United States has spent millions of dollars trying to establish its economic position in South America; here is a great market right at the door of the republic, a friendly people, and a people who understand the United States, and yet the United States is following that insane—may I say—benighted and medieval policy of trying to lift itself into prosperity by ignoring the position of other nations. A nation may achieve temporary prosperity by that easy expedient, but it cannot achieve permanent prosperity unless the nations to whom it desires to sell are also prosperous and are permitted to market their commodities in the republic.

By Mr. Sales:

Q. Would you say the same thing about Canada?—A. I would, sir, and I would like to say something about that later on. Then, I would like to refer to the transportation problem in Canada. If you take that line with which Mr. Sales, for example, is probably familiar, from Regina to Moose Jaw, and throughout that country, the farmers of that section of Saskatchewan were paying 40 cents a bushel to have their wheat delivered in Liverpool; 27½ cents from Fort William, and the balance made up of railway rates. I submit, gentlemen, that if we could reduce this freight rate by even as much as five cents a bushel, it would mean all the difference between many a farmer going under in his struggle to achieve stability, it would make all the difference between that, his going under, and his staying with the business of production. I maintain, and I am sure you will all agree with me, that if the individual farmer fails, multiply him, and if enough of them go down you strike a blow that will demoralize the entire economic life of the Dominion. I know it is a platitude to say that our economic strength lies with the farmer, but I think it cannot be repeated too often, that if the farmer has not a fair chance, if others will not get out of his sunlight—he does not ask for any special privileges,—if

he cannot achieve a fair measure of success, there is not another single line of business in this Dominion that can be prosperous. I say this question of transportation was not settled at all by the reduction of freight rates that was accomplished last year, significant as that was. That was a big help, but I do not need to mention—I do not want to use strong language, Mr. Chairman,—I hardly need to mention, in speaking of the conditions that prevailed in the last crop-moving season, that the prices were high, too high, and laid a burden on the farmer that was entirely beyond his power to carry. I think we will have to look into that transportation question, both by rail and by water, because I say that even a reduction of five cents a bushel—and I think that is a reasonable thing—if we could reduce the cost of transportation, which is one of the basic costs of production—because the farmer does not produce anything until it is finally sold—then I think we will begin to get some understanding of the economic factors that make for prosperity on the land. This loss of the United States market, I suppose, is appreciated pretty well in the east, but to us in the west it is a matter of profound importance and significance. You know that it is very often said in the east—and I am not criticizing the easterners at all, because I think we want to look at our problems as Canadians, and not as easterners or westerners—but I think it is often forgotten in the east that we are not one-crop farmers. In our own province of Saskatchewan we have about 1,600,000 head of live stock.

By the Chairman:

Q. You have not collaborated with Mr. Sales, have you?—A. I have not read Mr. Sales' evidence yet, but I know I am at a serious disadvantage, for not having done so, because I have a great respect for him.

The CHAIRMAN: He has only asked questions so far.

WITNESS: I would like to say, while I do not want to take up your time——

By the Chairman:

Q. Never mind that, Professor Swanson. We have enjoyed listening to you. Do not hurry yourself at all.—A. I could give you statistics, but those statistics you have of the live stock holdings of the provinces of Saskatchewan, Alberta, and Manitoba, go to demonstrate the fact that we are not any longer farming on a one-crop system, no matter what is said by people who are ignorant of the situation. We are being continually harangued by what we call armchair farmers about diversified farming and diversifying our agriculture. The farmers I know—and I have had the privilege of coming into contact with large numbers of them—are doing their best to decrease the risk of farming. They realize full well that depending upon a wheat crop is a thing of yesterday; that it is something that can no longer be relied upon.

Q. Would you not say, depending solely upon the wheat crop?—A. Yes.

By Mr. Hammell:

Q. What percentage of the farms of Saskatchewan depend solely upon a wheat crop?—A. I have not the figures for that. Notwithstanding the usual criticism, the percentage is not nearly so large as is imagined—because I think it is imagination.

Q. We had the privilege of being told the number of farms which had not even a cow, a hen or a pig upon them.—A. I know that.

By the Chairman:

Q. One witness gave us the number of farms on which there was not a dog, a hen or a cow, but he did not tell us the relation those numbers would bear to

the total number of farms.—A. All I can do is to emphasize the fact that while a pioneer country, a country in a crude state of development is necessarily a one-crop country, Saskatchewan is getting out of that position, and is consolidating her farming interests by diversified farming.

By Mr. Hammell:

Q. That may be true of a country in a pioneer state. But in Ontario and Quebec, they grew absolutely everything.—A. I am not speaking of the East, I am speaking of the West. I am sorry, but I had special reference to the West when I used the term a pioneer country.

By Mr. Sales:

Q. Would it be fair to state at this point that all the literature of our immigration authorities makes wheat the one thing?—A. Absolutely.

Q. And the immigrant comes in with that one thing in his mind?—A. Absolutely.

Q. It is the easiest thing he can produce?—A. Yes. I do not want to repeat it, but wheat is the farmer's big cash crop, or has been his big cash crop. But he is trying now by means of milk, cream, butter and eggs, and the like, to get his living. I would like later on, if you would care that I should do so, to give you one or two illustrations of what I mean. Our own farmers are making a careful and scientific study of these questions. This type of farming in the West, which I said was pioneer farming, required large-scale production. I do not want you to misunderstand me, because I do not say that large-scale production can be applied on the land as it can be applied in the factory, or anything of that kind, but because farmers had to farm extensively and not intensively to begin with, and they could not farm intensively under the conditions of pioneer agriculture. It was absolutely necessary to equip themselves with machinery. Without the machine the prairies could never have been opened up and developed. The machine is both a blessing and a curse. We have got into this position to-day, that farming in the West—I am speaking of the province of Saskatchewan now—has become a highly capitalistic type of business. To properly develop the land and equip it with machinery requires a heavy expenditure on machinery. While we admit that, unfortunately the machine companies—and I do not want any one of you gentlemen here present to imagine that I have any ill-will against these machine companies when I offer the following statement—have competed with one another for the last ten or twelve years, not with the idea of properly equipping farms with machinery, but of training a selling force to get a big turnover. I maintain that men trained merely for the business of selling, without having an understanding of the use to which machinery can be legitimately put, are not performing a good service; they are simply carrying on the business of exploitation. In many parts of Saskatchewan, and I am sure Mr. Sales and other Western members will bear me out when I say this, you can find on abandoned land heavy tractors that the farmer could not operate, firstly because he did not have the necessary mechanical knowledge, he did not have the necessary mechanical training, and secondly because the tractor was not suited to the work of the farmer; it required too heavy and expensive equipment along with the tractor.

By the Chairman:

Q. Who is to blame for that, the implement agent or the purchaser?—A. I blame the implement company that is trying to achieve permanent prosperity by means of the farmer, because a machinery company derives all its income from the farmers, and from no other source.

Q. Has it not always come down from ages past that a company tells how good its wares are?—A. Yes, but I do not think we should go on eternally following the mistakes of our ancestors.

Q. Some of our ancestors did not buy more than they required, no matter how good the endorsation of the manufacturers was?—A. I will admit that there are faults on the part of some so-called farmers, who never should have been on the land.

Q. Let me give another illustration. Suppose while I am in my law office I am visited by a real smart agent who is selling law books, and I buy $15,000 or $20,000 worth of law books, would you blame the law book agent, or would you blame Andrew McMaster, who wished to spend that much in law books? I would blame myself if I did that, Professor Swanson.

By Mr. Gardiner:

Q. With regard to the tractors, is it not a fact that many of the representations made by the companies have never been fulfilled?—A. Yes.

Q. That is, as to the performance of their machinery?—A. Yes.

By the Chairman:

Q. Go ahead, Professor Swanson.—A. I would like to give an answer to that illustration about the law books, if you would not take any notes of it.

Q. We will take the notes, we do not mind that at all.—A. You say the buyer caveat emptor. I was going to give you an illustration of what I mean. Of course this is an extreme illustration. I was in the town of Weyburn, in the southern part of our province, attending a conference, and while in the hotel waiting in the lobby one evening I got into a conversation with a young man who told me he had just severed his connection with a group of men who were selling things to farmers. I was interested and asked him what business he was engaged in. He said he was selling enlarged portraits, that he got photographs, carried them away, and had them enlarged. He said there was no charge whatever for the enlarging of the photographs, but when a photograph came to be delivered there was a substantial sum to be paid for the frame, which the buyer knew nothing about.

Q. That was a fraud.—A. He told me that among other expedients they adopted was permitting the prospective purchaser to draw and if the purchaser got the lucky number it would be applied on the frame. Of course the purchaser always drew the lucky number. In addition to that, in one case where he brought back an enlarged portrait and explained that the frame cost thus and so, the housewife refused to pay it, that he then said he would carry off this enlarged portrait and sell it to a second-hand man, that it would be hung up there, and that she would not like to see a photograph of her grandfather who had died displayed in that way. That was fraud, of course. I know this is an extreme illustration, but I think it is a fair answer to your objection that the buyer always ought to beware.

Mr. Robinson: How are you going to prevent that without paternalism?

Mr. McKay: The analogy is not correct at all.

By the Chairman:

Q. The thought of Mr. Robinson as well as my own is that you cannot really protect people from their own unwisdom.—A. No, but I say this, that the implement companies are now realizing that it is bad business to sell under those circumstances.

By Mr. Hammell:

Q. You would not like the idea to go abroad that any implement company in this Canada of ours would pursue a method of business such as you have

described in connection with the enlargement of photographs?—A. Certainly not. I said it was an extreme case, but I used it as an illustration.

The CHAIRMAN: No member of the Committee took that view of it.

Mr. SALES: I do not think you gentlemen present have any idea of the persistent selling campaign that has been and is going on.

Mr. HAMMELL: We have the same thing going on every day on our farms.

Mr. SALES: I had to absolutely make up my mind that I would not buy anything at my own place, and they came to know it after a while. You have only to mention that you are thinking of buying a threshing machine, and you will be haunted day and night; you will have the agents sitting in every corner watching each other going away.

Mr. MILNE: They will come along with a long statement showing the profits to be made out of a threshing machine, and unfortunately farmers are not always good mathematicians. The result is, the farmer will purchase on the strength of the figures he is supplied with.

WITNESS: May I just say that the agricultural machine companies realize, and are realizing more and more, that the policy pursued in the past of getting a big turnover does not pay. I have taken this matter up, and I know that the the managers of the various companies, some of whom are extraordinarily fine men, are anxious that their agents shall not misrepresent in any way. Indeed the farmer is protected now, as a matter of fact, under the Saskatchewan law, to a large extent.

Getting back to my main point in this connection, it is this, that the farmer is bound, because of the conditions in agriculture in the West, to have a large capital equipment. If he farms a half section, which I would say is the economic unit, not smaller than a half section—a good many farm a section or a section and a quarter—he has to have a very heavy item in his cost of operations set down for farm implements. In addition to that, because of the hard conditions that have prevailed during the past three years, particularly 1921 and 1922, the farmer is obliged to rely upon the store, the local merchant. He always has to, to a very large extent. In some districts he has had to rely upon the local merchant for credit. I do not know whether this matter has been discussed or not, but everyone realizes that that is a bad type of credit, that not only do a good many merchants charge interest rates per month for overdue loans, but that bad debts that inevitably accumulate are passed on to others in the form of higher prices. May I give you a concrete illustration of that? I attended a meeting of the Retail Merchants Association in the City of Regina about a year ago. A merchant there who came from a small agricultural town in a strictly agricultural community showed me his bad debts extending over a period of about six years. They ran up to a large sum, about $18,000 or $20,000 —I am only quoting from memory. I asked him how he could possibly remain in business. He said he remained in business and made a profit by passing these bad debts on to others. These store debts, debts for farming machinery, debts that necessarily accrue during the summer for the payment of labour and the like, become a more important matter when you take the discrepancy between the prices the farmer has to pay for the things he buys and the prices he has to take for what he sells. All that has resulted in a serious situation for agriculture in the West. I do not want to intimate at all, Mr. Chairman, that the West has lost courage; it is a magnificent country, and I think I am right in saying that it has a magnificent future.

By the Chairman:

Q. We are all with you in that opinion, Professor Swanson.—A. I mean to say that the people of the West, while they are discouraged, are trying their best

to go forward. But they are facing these formidable difficulties. Let us take the peak of high prices as an example. I believe the peak of high prices was reached in May, 1920—again I am quoting from memory because I have had no time to prepare any data for this. In May, 1920, I think we reached the peak of wholesale and retail prices. From May, 1920, to December, 1922, a two-year period practically, wholesale prices decreased by 40 per cent, while retail prices decreased by 24 per cent. That is to say, there was a discrepancy between wholesale prices and retail prices to that extent, and the farming community would like to know why there was that discrepancy, because the farmer of course pays retail prices. Why was there such a significant decline during that period of 40 per cent on the wholesale prices while retail prices only declined 24 per cent in the same period?

Q. At any given moment you can expect retail prices to lag behind wholesale prices, because a retailer will have bought at a period which preceded that given moment at higher prices.—A. The explanation which is given by the retailers with whom I have discussed this question, particularly retailers in the cities of Saskatchewan, is that they maintain that the reason why retail prices have not declined as sharply or distinctly as wholesale prices is due to two factors: first, the high rents, the very high rents that are charged, which are fixed. They are charged for a fixed period, and then the high labour costs. These factors they have little or no control over, and we know that there is a disturbance between the agricultural and commercial classes in our country. I do not say that our prices have not declined. It is often stated, of course, that the farmer's prices have been cut in two, and other prices have not fallen. That is absurd. Other prices have fallen but they have not fallen in due relation to the prices of agricultural produce. Well now, with this situation that confronts the farmer to-day, what can we do? I would say in the first place, in dealing with the matter of transportation, the cost of production, the labour costs, and the cost of credit, that the credit question is the most acute of them all at the present time, and the credit question cannot be discussed merely as a credit question. It must be analyzed. There is a kind of credit—a legitimate kind of credit. There are farmers who are able to use credit of a legitimate kind. Then there is an illegitimate kind of credit. I would call it abnormal credit, and there are farmers who have no right to that sort of credit, because they do not know how to utilize it. I would like to say, Mr. Chairman, and gentlemen, that credit is not for everyone. Beneath all this discontent there seems to be a general idea that everyone should have adequate credit, that all should have credit, but credit is only for the person who can use it, and of course there are men on the land who are not suited to the land, who should never be on the land, and those are the men who will have to go, those are the men who have been a factor in making high interest rates, and the same thing holds true with the price of agricultural implements. The prices are high—unduly high in relation to what the farmer has to sell, but they are high because at the present time I calculate that the farmers of the three Prairie Provinces, Manitoba, Saskatchewan and Alberta have $50,000,000 to $60,000,000 of credit with respect to farm implements.

By the Chairman:

Q. In those three provinces?—A. In those three provinces.

Q. $50,000,000?—A. Fifty to sixty million dollars. It is difficult to get the exact figure, but the "Farmers' News" has estimated in a recent number that at least $40,000,000 must be out among the farmers. What proportion of that will be bad debts, if they are bad debts, must be passed on to the other users.

By Mr. Hammell:

Q. The fellow who is a good payer must pay for them?—A. Yes.

By Mr. Elliott:

Q. Does that account for the high cost of implements out there?—A. I think it is one factor, the bad debt, just as the high prices that are charged in country stores being partly due to the fact that the farmer cannot pay cash, and that brings me to the question of what I have to say about the agricultural question.

By the Chairman:

Q. Before you start on that, we have often heard it stated in this committee that the agricultural problem in its essence seems to be the disadvantage at which the agriculturist is placed because he is selling as a wholesaler, at less than wholesale prices, commodities, the price of which in many respects is determined by the world's market, while he is buying as a retailer at retail prices his commodities. That is an economic situation which is is perhaps difficult to get over. It might be due in large measure at least, to the operation of economic law, but are there any other laws operated to raise above their natural level the commodities which he buys?—A. Which the farmer buys?

Q. Which the farmer buys?—A. I am quite satisfied that there are commodities selling in the United States and Canada that are controlled with respect to price. I am quite satisfied of that, and it is done openly, it is done with various soaps, drugs, and musical instruments, gramophones, and so on. We know from personal experience that you are told that that is the price by agreement.

Q. Is there any other governing agent—any other factor—which enters into this artificial enhancing of price?—A. I would say that the tariff does, and other factors, Mr. Chairman.

Q. We do not need to go into them at any great length, but we would be glad to have your opinion on the situation.

By Mr. Sales:

Q. What are the factors at present?

By the Chairman:

Q. The tariff, price fixing, and is there anything else?—A. Agreements among retailers as well as wholesales.

By Mr. Sales:

Q. Jobbers?—A. Yes.

By the Chairman:

Q. Would we be making an extreme statement if we stated that in certain lines of distribution, the element of competition is a factor in determining the cost or price?—A. Competition means the absence of friction, the absence of any obstacles that intervene, and a great many obstalcles that prevent the full functioning of demand and supply. We were told during the war and since that that the economic conception of demand and supply was a relic of the days of barbarism, and ought to be thrown on the scrap heap, but I thoroughly believe in the law of demand and supply when it is possible that obstacles will not be put in the way of the free functioning of the demand and supply, in fact, we have personal experience of that ourselves.

Q. You have brought us in very interesting fashion to the discussion of the question of rural credits, and I will be glad if you will proceed along that line now.

By Mr. Hammell:

Q. You were speaking about the retail merchants of Saskatchewan. I think the previous witness made the statement that there are merchants in the province of Saskatchewan carrying bad debts to the extent of $100,000,000.

Mr. SALES: Carrying accounts?—A. They were carrying large accounts, but if agriculture recovers, of course they hope, just as the implement men, and the other dealer hopes, to recover.

By the Chairman:

Q. Do you think that is approximately the amount that they carry?—A. No. I think it is a very difficult thing to get at, and while I have looked into that as carefully as I can, I must admit, Mr. Chairman, that I have not got any dependable data. I do not think there is any way of getting it.

By Mr. Sales:

Q. Were you there when the statement was made?—A. Yes.

Q. Did you hear it?—A. I either heard it, or read it in the Retail Merchants Magazine.

By the Chairman:

Q. Did it strike you as a large or moderate estimate?—A. It did not strike me as a large estimate when I considered the enormous extent of the retail business in town and country. This did not refer particularly to the agricultural class.

By Mr. Sales:

Q. How many merchants do we have?—A. I do not know, Mr. Sales.

By Mr. Hammell:

Q. Have you not a register anywhere in the Province that would give us the exact number?—A. I suppose there is.

By the Chairman:

Q. If the Professor has not that information, we will leave that subject. —A. We started in on a discussion of credit, and I do not want to keep you long.

Q. You came at our express invitation, and we are anxious to hear you, and you can take whatever time is necessary to develop your subject to your own satisfaction.—A. Thank you very much. In connection with the extension of credit, may I repeat what I have just said, that there were two types of credit. There is what I would call normal credit, and there is what we might denominate abnormal credit. Now, when we use terms of that kind, we ought to define them. Normal credit is the granting of purchasing power to a producer, giving him the means of credit not only on the understanding, but due to the fact that he will actually use that capital for productive purposes. Abnormal credit is the granting of purchasing power where it is to be used for speculative purposes, where it is either used directly in the first case, in a speculative way, or where it turns out to be a speculative adventure. I think it is very essential to make this differentiation, because abnormal credit increases prices, and these increased prices give rise to inflation, to booms, and then a collapse, while normal credit cannot do anything except increase legitimate production and the well being of the people at large.

Q. And tend to maintain prices at a reasonable level?—A. Exactly. Now then, credit in my opinion is both the cause and the effect in our economic life. In the case of a well established farmer, it is the result of scientific methods of

production. It stands to reason, and it is perfectly clear, that a farmer who has farmed scientifically, who has established himself, can get easy credit and at a lower rate than others. On the other hand, many a farmer would not have established himself if he had not secured credit, and I think we ought to realize that although a farmer in the beginning, establishing himself in the outlying sections of the three provinces—although he may not have anything that is very valuable, that he is entitled to credit according to his just needs. The farmer, however, I think, is beginning himself to realize that altogether too much has been made of what is called the "commercial type of agriculture." He has been told that he now produces for the world market, and he buys those things that he requires. There is too much buying of materials, especially of food products, and the like, that the farmer can bring forth from his own soil. May I give you, Mr. Chairman, and gentlemen, a concrete illustration of what I mean? I was visiting on a farm at harvest time in the south of the Province, near Moose Jaw, and I was taken out to be shown the farm, and what struck me as one particularly significant factor in the success of this farmer was an extensive garden that had been planned and developed by the farmer and his wife, and they told me that practically 90 per cent of their food supplies were produced on the farm. In that way they had shaken themselves loose from the local merchant to that extent, and increased their buying power in other directions, and I might say that the example of that one farm has been contagious. It has appealed to other farmers in the neighbourhood, and that is one way by which the farmer can get out of the clutch of these economic difficulties that I referred to at the beginning of my evidence. Now, the credit that the farmer is getting at the present time comes from the country merchant, the agricultural implement dealer, from the bank, and it comes from the mortgage company, and from other sources. I think it is necessary that there shall be an examination of these problems of credit from the point of view of permitting the farmer to refund his obligation, and by that I mean that he can rely on the bank legitimately for working capital. The banks of Canada have been given great rights, and I think it is their duty to furnish to reputable, legitimate enterprise an adequate supply of working capital, but we cannot expect the banks to furnish fixed capital, although they have been labouring under the necessity of doing that in some instances. The rate of interest that is being paid on farm implements, and the difference between cash price and longtime price—these two together are a serious burden on the farmer, and if we could put in his hands the funds so that he could pay cash, if he could buy his implements for cash, it would not only reduce the price of all agricultural implements to him, but it would be better for the dealer as well, and so it would be all along the line. It is necessary to give him a fixed capital, a working capital, and to give him fixed capital in my opinion the present scattered debts that he has should be consolidated and turned into one loan. Most of the farmers are not book-keepers; they are not trained in keeping accounts. We have tried to get accounts from farmers as to the cost of production, and it is difficult to get. Sometimes they think they ought to do that, but they are busy on the land, with 101 things to do during the day, and it is a difficult thing to get them to keep accounts. It makes it much simpler for him to keep accounts, and know where he is at in the matter, if his debts are paid in one loan. How is he going to get this fixed capital, then? At the present time he can get fixed capital in the West from the mortgage companies, at least that is one source of the fixed capital, and the rate of interest is 8 per cent, which is a high rate of interest, or he can get in Saskatchewan and in Manitoba from the Farm Loan associations—fixed capital. In Saskatchewan I should say there are loans to the extent of about $9,000,000—I am only quoting from memory

again, and in Manitoba I think to the extent of $8,000,000, under the long-time Government plan, and long-time loans under the direction of the Government. In Saskatchewan this capital has been furnished at 6½ per cent, in Manitoba at 6 per cent, but I believe it has been increased owing to hard conditions in the money market, to 7 per cent. What I would like to say, and may I just emphasize this point, that this is a tentative plan on my part—that you will have to supplement the available capitalistic agencies with something else. They have in the United States, as you all know, the Federal Farm Loan System, and you have been studying that. It is not necessary for me then to go into that matter.

Q. If you want to go over it, we will be glad to hear you.—A. You could ask me questions about it later on.

Q. You might emphasize those features which you think of value and applicable to our situation.—A. I would like to emphasize that I believe they are valuable, but I am not certain whether they are applicable to Canada. The features that are valuable are first; no matter whether the farmer is in Texas and has $25 an acre land, he can get a loan at the same rate of interest as a farmer in Illinois whose farm is worth $200 an acre. The scheme equalizes the rate of interest. That is the first thing. In the second place is the quality of the security. The debentures are the joint obligations of all the Federal Land Banks; the 12 Federal Land Banks stand behind that and give absolute security.

By the Chairman:

Q. Making them a very advantageous investment proposition?—A. Yes. And because of that, not only are the interest rates equalized, not only are they supported by the united capital of the 12 Federal Farm Loan Banks, but the interest rate has been reduced.

Q. And they are secured not merely by the capital of those 12 Land Banks but by the mortgages which have been transferred to the Land Banks from the Credit Association, if I remember aright?—A. Yes, that is quite right, sir.

Well now, whether or not that system is applicable to Canada, is another question altogether. I stated yesterday that I was not ready yet to give publicly a complete outline of a plan that I have been working on myself, but I can give it to you in outline, and I should not like to feel that I have committed myself definitely to this. I believe that we ought to have, at least in the Prairie Provinces, a farm mortgage association. I would not call it a bank, because I believe we ought to retain the name "Bank" for the Chartered Banks of Canada, in order that there should be no confusion. A Farm Mortgage Association that shall be a joint stock association with a capital of say a million dollars in each case for the three Prairie Provinces. I think it should be a private association, a joint stock association, with its capital invested from private sources. That it shall be given the right to issue debentures up to 15 times the amount of the capital. That would be 15 million dollars in each case, or 45 million dollars of new capital for the Prairie Provinces, and the million would be left in the form of working capital to take care of organization and other expenses. That these debentures should be exempt from taxation, Municipal, Provincial or Federal. In that way a direct contribution would be made to farming. I think the Association should be free of Government control or interference. While I should like to add a Federal Government guarantee of the debentures, to make them an absolutely safe security, I am not prepared to say that that would be a sound or wise thing to do in Canada in view of past experience.

In addition to that, Mr. Chairman, I think that the association should differentiate between the loans that are made and the rate of interest charged.

Q. May I interject a question? We understand that this is all tentative? —A. Yes.

Q. You have not perfected this plan but your mind is working in this direction?—A. Yes.

Q. The formation of a loan association, which would have three branches, one for each of the three Prairie Provinces?—A. Yes.

Q. That each one of these associations should have an initial invested capital of one million dollars?—A. Yes.

Q. That they should be given the right to issue debentures to the extent of 15 million dollars each or in all 45 million dollars?—A. Yes.

Q. How would those be secured?—A. They would be secured by mortgages which would be hypothecated. Mortgages up to and not exceeding fifty per cent of the value of the land, and say twenty per cent of the insured value of the buildings.

Q. You would have to sell these debentures first to raise the money? Then the money would be lent to farmers and the mortgages taken back by the association would be the foundation of the debenture securities themselves? —A. Yes.

Mr. MUNRO: You would need a foundation before that.

The CHAIRMAN: The foundation is one million capital stock.

Mr. MUNRO: But that would not be much in relation to 45 million. You would need the Government foundation to back this scheme.

The CHAIRMAN: As I understand it, as the money was taken in from the subscribing public, it would immediately be lent to the farmers on the security of their land?

Mr. MUNRO: But the public would not buy those debentures until they were secured.

The WITNESS: That would depend upon the rate at which the debentures were sold. In the first place they could issue debentures to some extent, at least.

The CHAIRMAN: If they had a million of capital they could, I should think, without difficulty issue $750,000 of debentures, and then they would place that $750.000 among the farmers and take back mortgages on land which was worth $1,500.000, and that would be security for another issue of another $750,000. That is the way it would work out.

The WITNESS: That is about my idea.

By Mr. Gardiner:

Q. Would you give this mortgage organization the same privilege that the banks now enjoy, of being able to take their securities to the Treasury Board for an issue of Dominion notes?—A. I had not thought of that. I have not proposed to do that. I may say I am bringing this forward only in a tentative way.

By the Chairman:

Q. We understand that, and you are doing it merely to help us in our deliberations?—A. Merely to have you think about it; I am not committed to it at all. What I would consider an essential feature of such a plan would be this: there are different kinds of borrowers and I think we might control the interest rates and get over these very high charges as follows:—

Let us say that one farmer borrows to the extent only of 15 per cent of the value of his land; that that is a sufficient loan for him. Well, if he gets a loan to the extent of only 15 per cent of the value of his land, that is a perfectly safe loan, and reduces the risk, and if you reduce the risk you take out of the interest rate that element that is insurance and you can afford to lend to that man at a less rate than you can with a higher risk.

Q. It would seem to me that one of the foundations of any scheme of Government loaning would be that the element of risk was really eliminated and that no loans at all should be granted unless on security which humanly speaking made the loans safe?—A. I did not propose that the Government should do that. It is not a Government scheme.

Q. Your mind was a little divided as to whether it should be guaranteed by the Government or not?—A. Yes.

Q. Supposing the Government does not come in, I would say that in a scheme which was put forward in the first place by Government or even put forward by reputable financiers, in the nature of a mortgage company, would only be on a firm foundation if the loans as a whole were made on such good security that humanly speaking the element of loss was eliminated?—A. That is what we would like to work to, sir, and that is why the American farmer is I believe getting capital on bonds at 4½ per cent.

Q. The bonds are issued at 4½ per cent and the farmer is getting it at 5½ per cent, and the Land Banks instead of losing money have made a great deal of money?—A. Yes.

Q. Just meet my objection there to your plan. My objection is that there should not really be any difference in the rate between a man who only asks a mortgage on 15 per cent of the value of his land and one who asks say up to 50 per cent, because I do not think you should go further in lending on any land than will secure the safety of your loan. Do you get my view?—A. Yes, I do.

Q. What is the answer to that?—A. Well, in the United States of course they have gone along that line, they have put your principle in effect. But it has always appealed to me, and of course we know perfectly well it is made use of as a justification for high interest rates, that there is an element of risk. I only suggest for your consideration that we differentiate between loans on this basis, that if we lend only to this extent of 15 per cent of the value of the farm that certainly the risk is not as great and the interest can be kept down. Now as the loan increases and approximates the fifty per cent, the interest rate rises, and I have in mind, Mr. Chairman, that if you increase the interest rate in that way, you put a brake upon borrowing, and we must control borrowing in order that there shall not be expansion that cannot be justified. That is what I had in mind. And the reason why I have this objection to Government aid—or at least I should not say objection.

Q. Disinclination?—A. Yes, disinclination, sir. It is due to our past experience.

Q. Very well founded, in my humble opinion, Mr. Swanson. I do not think you need apologize for that disinclination as to Government credit.

By Mr. Sales:

Q. What past experience do you refer to?—A. I could give you a concrete illustration of what I mean. You know in the early history of Ontario they had a municipal loan fund; they made advances to the various municipalities, Port Hope, Cobourg, and all those towns along the lake and elsewhere. They got in so deep they could not pay, and the Government found that they had to cancel; they began to cancel the obligations and finally they cancelled them altogether. Then the towns that did not get any Government funds began to

clamour that they should get their share, and finally the people of the Dominion of Canada are paying interest on that to-day, because it has been consolidated in our Dominion Government debt.

By the Chairman:

Q. Did not some of the towns that paid back the loan demand that they should get a return of what they had paid, so that they would be on the same basis?—A. Yes.

By Mr. Gardiner:

Q. Those loans were not based on a security of fifty per cent of the total value of the property?—A. No, they were debenture loans, and based on the total taxable capacity of the municipality.

Q. They have no relation then to this credit scheme you are putting before us at all?—A. Only in this sense, that the people got it into their heads that they were Government loans, and that you have not got to pay the Government, because the Government has a purse with no bottom to it.

By Mr. Sales:

Q. There is a big difference between loaning to a municipality and to an individual?—A. I admit that sir, of course, because a municipality as such is an abstraction.

By the Chairman:

Q. I think, Professor Swanson, that we might go for proof of the wisdom of your disinclination, to still more recent history, and consider the endorsements of Canadian Northern paper, made by the Canadian people, which landed them in very heavy debts, and at the present time, obligations that are very hard to bear, but which perhaps may work out all right in the long run, we trust they will.—A. At the same time, Mr. Chairman, I think it is quite a legitimate statement that Mr. Sales makes in drawing my attention to the fact that there is a significant difference between a loan to an individual and to a municipality. I admit that, but still there is this side; take our experience in Saskatchewan, Mr. Chairman; I think that those in charge will say that because farmers have borrowed from and they think they owe the Government, there is a disinclination to pay. As I believe was stated in evidence before you the farmer is disinclined to pay his taxes to the Government and interest—I don't know whether it is unfair to say that, but you have those among you who can state with first hand knowledge.

By the Chairman:

Q. There are many people in this and other countries who believe in government as an institution not to be supported but to support?—A. Yes.

Q. You are not one who hopes to bring about the regeneration of society by getting the government to do everything?—A. I think the regeneration of society begins with the regeneration of the individual, and instead of looking to Ottawa for everything the local community ought to rely on its own initiative and enterprise.

By Mr. Gardiner:

Q. On the other hand, if Ottawa has on some previous occasion given monopolies to certain interests, how could you rely upon the local initiative when that initiative has been taken away by giving to interests in this country a monopoly of certain things?—A. I say destroy the monopoly.

Q. Then you are up against something?—A. We elect you gentlemen to do that sort of thing.

By the Chairman:

Q. We are getting help from you this afternoon?—A. I would like to say that I think it is a fair and reasonable suggestion to make such securities tax exempt, for this reason; I know the criticism and you understand the criticism that has been levelled against the tax exempt securities in the United States, that these securities find themselves in the hands of rich men who escape their just share of taxation, but on the other hand if it does result in giving the farmer adequate capital at reasonable rates, that is my prime object, and that is what I should like to see accomplished if this would aid. Now, it would be equivalent to giving a bonus to the farmer. I think the farmer is entitled to a bonus, in this sense; bonuses have been granted in Canada to many different industries.

Q. Did you approve of them?—A. No, I did not, at least I did not have much hand in it.

Q. As an economist how do you regard the giving of bonuses?—A. As an economist—

Q. Were they not Anathema Maranatha to you?—A. I am taking a special case that perhaps can be justified to balance the particular handicap under which the farmer is labouring. I think a premium has to be placed on agriculture. I think where the farmer is isolated, as he is with his family isolated, where it is difficult to get education—I know one farmer who paid $1,800 to put his three children through school, one went to Regina College, a boy to our Agricultural College, and the girl to a collegiate—$1,800 for three children. What a big advantage it is for the man who is in the town to educate his children! Think of that; and it is from that point of view, to balance the manifest disabilities under which a farmer lives that I would say that we can put this slight premium on agriculture and do it deliberately and know why we are doing it. That is my justification.

By Mr. Bouchard:

Q. But some farmers will be close to a town with educational facilities, and another farmer will be thirty miles away.

By the Chairman:

Q. Did you get Mr. Bouchard's point?—A. No.

Q. Mr. Bouchard realizes your desire to put the farmer on a par with the city dweller, but he points out a further disability as between the farmers, one may live close to a town with ample educational facilities, and another man thirty miles away from a railroad; how are you going to equalize between those two farmers?—A. I don't think we can get abstract justice. That is my justification.

Q. I doubt if a departure from principle will lead you to Utopia or anywhere near it?—A. I am not trying to get to Utopia. I would like to say that I am safeguarding myself by remarking that these are suggestions.

Q. We know that and we are discussing them in that spirit?—A. I think that is all I have to say.

Q. Tell us some more about your rural credits, finding the money. Your idea is this: take one of these loan associations with a million dollars of capital and with the right to issue debentures up to fifteen million dollars. The million dollars of capital would be lent out to the extent of $750,000 to farmers, and mortgages would be taken in to the association of say a million and a half, and on that million and a half a further issue of say $750,000 of debentures could be issued, so that in the long run you would have say sixteen million dollars of debentures outstanding, or not more than sixteen million dollars of debentures

outstanding, and you would have in the Treasury to support those, thirty million dollars or forty million dollars of farm loans?—A. Precisely.

Q. You have your money; describe the method that you would adopt if you had the organization of the scheme for lending that money?—A. I would ask, sir, that the chartered banks in view of their admission that they do get certain privileges, that the chartered banks would act as agents, and they have their branches everywhere, to accept applications for loans, and that they might even in return for some money payment make a report, if they have a description of the property, and so on—the chartered banks might be asked to co-operate in the scheme, not by lending money at all, but by merely acting as agencies.

Q. Agencies for the collection of the applications?—A. Yes.

Q. Would you have them give any report on the applicant?—A. I am not so sure about that, Mr. Chairman.

Q. I would be very dubious about it, because I know in many points the banks are in charge of mere clerks who have practically no discretion given them at all?—A. That is half of our trouble.

Q. Suppose we eliminate the banks as agencies for determining the wisdom of making the loan, what other machinery have you?—A. Well, of course the loan must be made for specific purposes, and I do not suppose I will have to go into that, because you have been discussing it, but I may say briefly, the first purpose in my opinion should be to consolidate or refund the different loans that the farmer has now, to get one loan on the amortization plan instead of the different loans that the farmers are carrying to-day at different interest rates.

Q. That is all right as far as helping him to take care of present obligations? —A. Yes.

Q. Would that be your main object in making these rural credits?—A. Oh, no, but to increase his command over his environment and give him what I call economic freedom.

Q. You are familiar no doubt with the schemes which obtained on the continent of Europe?—A. More or less.

Q. Loans were made not to the individual farmers but to collective groups? —A. Yes.

Q. Who pledged their collective credit?—A. Yes.

Q. For advances made to one or other of the group, is that your idea for this country or not?—A. I don't think we can have——

Q. I understand your idea is that there would be one of these loan associations for each province?—A. I have been speaking, Mr. Chairman, of course from the point of view of the West; I was thinking of what can be done to rehabilitate agriculture, but of course the scheme is not confined to the West.

By Mr. McKay:

Q. You limited yourself a moment go?—A. I was thinking of the three prairie provinces. I am not so certain about the need of forming associations of farmers. It is difficult, although I try to believe in co-operation, and I work for it, it seems a very difficult thing in many cases in some communities. I suppose that is true east and west, to get the farmers to co-operate, but he must learn how to co-operate to find a way out of his difficulties. I would not have at any rate mutual responsibility.

By the Chairman:

Q. You would have the loan then made by the Credit Association to the individual directly?—A. Yes sir, that is my present opinion concerning that.

Q. To what extent of valuation would you lend, or have you thought of that?—A. Well, I have thought of 50 per cent, and in the case of the insured buildings I think it would be quite safe to lend up to 40 per cent; I said 20 per cent to begin with, but that is a matter of detail.

Q. That 50 per cent on the value of the land, 20 per cent on the value of the insured building?—A. Yes.

By Mr. Gardiner:

Q. How would these organizations be first formed, by the sale of securities or shares to the individual farmers?—A. By of course having an Act similar to the Bank Act permitting such organization to come into existence, and then hoping that men of means—it would be very attractive I should think; I would not exclude an association from owning stock, an insurance company, for instance.—

Q. Then you get back to the same old position we are in to-day, and that is that those who own the shares would want the greatest possible profit to wring out of the farmer, is not that so?—A. There ought to be sufficient profit in this to carry it along.

Q. My question was this, if it was a shareholder proposition you would simply come back to the same position we are in to-day, and that would be that the shareholders of these organizations once they tasted the fruits of profit they would want to wring out of the farmer everything they could get out of him?—A. If that were the case it might be necessary to set a maximum rate that could be charged.

By the Chairman:

Q. Or might it not be wise to do what the United States did, the original capital for the land banks was supplied by the United States Government?—A. Yes.

Q. They supplied the original capital?—A. Yes.

Q. And under their scheme so much original capital had to be paid back to the Treasury of the United States every year?—A. Yes.

Q. And in the last report of the land banks which we placed among our records they were able to pay back not only the two million odd hundred thousand dollars, but were able to refund the Treasury some seventy million dollars out of profits?—A. Yes. Of course the idea was in the first instance that if private investors within thirty days did not subscribe the necessary amount that the Government would come forward and provide the money without interest.

By Mr. Sales:

Q. Would you do that here, Professor Swanson?—A. For a specific purpose, I do not see any serious objection to it, because it is along the line particularly they suggest, that there must be a premium of some kind placed upon agriculture. To make a loan without interest, the premium would not be a formidable obstacle in the way. They have done that in the United States.

By the Chairman:

Q. Coming back to the question of the premium upon agriculture, the agriculturalists form about one-half the population, do they not?—A. Yes.

Q. They are a disorganized, or rather an unorganized portion of the population?—A. Yes.

Q. Any imposts placed upon them, they have no means of shifting to anybody else; is that correct?—A. I think in general that statement is correct.

Q. Would not one-half, or more than one-half of any premium bestowed by the State upon agriculture be borne by agriculture itself?—A. Well, it would

come back in this way. Of course I realize perfectly well that tax-exempt securities are apt to fall into the hands of the rich, and that if they are exempted from taxation the farmer in his municipality is apt to pay a heavier tax. Of course there is no taxation in the municipalities in the West on securities held.

Q. I was thinking of it in a more general sense. If you give a premium to agriculture whereby you exempt these proposed bonds from taxation or not, you do not diminish the load of taxation that has to be carried by the citizenship of the country in general?—A. No.

Q. And as that citizenship is composed one-half of farmers, and as that half is unorganized and unable to shift the burden upon other people, is it not to be expected that fully one-half if not more than one-half of the burden of the premium will have to rest upon the shoulders of agriculture?—A. I think that is quite true, Mr. Chairman. There is that danger, because we know that the organized classes always try to shift the burden to the unorganized.

Q. That being the case, is it not almost inevitable that what I have outlined would be what would happen, that any attempt made to bonus agriculture, directly or indirectly, will have to be borne in a very large measure by agriculture itself; as an economic proposition, is that not likely to be true?—A. I do not like the word bonus, Mr. Chairman. I am sorry I ever brought it up. I like the word premium better.

Q. Let us call it premium then.—A. The point is this, that if those securities are exempt from taxation, those that hold them do not pay it. The tax has to be paid by somebody.

Q. And the unorganized portion of the community will pay their share or more than their share of the burden?—A. I would justify that on this ground, that if you increase the productive capacity of the farmer, he is better able to pay his taxes.

Q. Put the premium in one pocket, and a little later on get one-half or more than one-half out of the other pocket. Would his position be greatly improved?—A. If you give a farmer a loan of $1,000, and he is paying $60 a year on that $1,000, he is able to make in addition to what he was making in the past, $300 or $400, he can then pay his interest on the extra burden, and still have an advantage.

Q. It would be part of his industry?—A. Yes.

The CHAIRMAN: Are there any more questions anybody wishes to ask?

By Mr. Sales:

Q. Professor Swanson, I think you said that the condition of the farmer was due to the demoralized condition of the European market, very largely?—A. I think that is one factor.

Q. You see, our produce at the present time is bringing what I would say is a very fair price.—A. I beg your pardon?

Q. I say that our produce at the present time is bringing a very fair price, our wheat is above a normal price to-day?—A. I think wheat ought to sell for $1.50 under present conditions. If the farmer had $1.50 for his wheat, in proportion to what he is paying for labour and for materials he buys, we would have this equilibrium. That is what I mean. I do not think the price of wheat as compared with pre-war conditions is low, but as compared with the purchasing power of the farmer, it is low.

Q. But the price of commodities is too high. We will not get more than $1 a bushel, when we have to compete with Argentina, the United States, Russia and so on?—A. If we were producing normally we would get that flow of goods from Europe which would help to keep prices down here.

Q. Get a flow of goods?—A. Yes.

Q. Not while we have a tariff; that is not intended?—A. We will get some.

Q. But there is the fact that there is no return cargo for our boats. You spoke of Germany. I have been interested in Germany, because I have met two men who have recently come from Germany, and who state that the German farmer is in a very prosperous condition, more so than he ever dreamed of; how do you account for that?—A. He may think he is in a prosperous condition in this way: a German farmer may have had a mortgage upon his land, and if he has paid it off with depreciated currency, he is a well off man.

By Mr. McKay:

Q. What about the man who held the mortgage?—A. He is ruined.

By Mr. Sales:

Q. The investing classes in Germany are finding their income too small, and they have had to go to work. Can you believe that a nation of sixty millions of people, all working, producing something and exporting it, selling it for English money—of course their idea is not to pay their debt, but they are able to buy English ships, English coal, and so on; can you believe that a nation of sixty millions of people, all working, is not going to find its way out?—A. They are working, but they are working under conditions that are sapping the vitality of the nation. As far as I have been able to read and study the problem, while I have not been in Germany, I think the standard of living is such that the working classes are living under a terrific pressure, they cannot get the materials necessary to maintain a decent standard of living. There is a discrepancy every time there is a difference in the quotation of the dollar; the mark loses its purchasing power. You cannot change daily wages or weekly wages. We know how the dollar jumped from 4 marks for a dollar to 60,000 or 65,000. I think the standard of living of the German working classes to-day is very low, and that they are paying a terrible price.

By Mr. McKay:

Q. In so far as the wages of the workingmen are concerned, they have boards that automatically adjust wages with the purchasing power of the mark?—A. I think that came about when the mark jumped all over the four points of the compass.

By Mr. Sales:

Q. What would it matter what the outside world said our dollar was worth, if we were working to our full capacity, growing wheat and cattle and selling them to foreign countries and paying our debts with those commodities; what would it matter to the outside world?—A. It would not matter as long as we could produce goods and sell them and get capital abroad.

Q. Produce commodities to pay off our debts since the war?—A. Yes.

Q. But isn't there such a danger of inflation, or is inflation such a terrible thing?—A. I think so.

Q. I would like to understand it.—A. The German people are not doing anything like their pre-war volume of business, either domestic or external, and because, as I said before, this terrible inflation, this enormous inflation has resulted in a capital levy. You cannot destroy capital.

Q. What do you mean by capital levy?—A. I mean this, that if during the war, instead of the Government, as it did in Canada, taxing us or selling Victory bonds—I am thinking rather of taxation—if instead of doing that it had simply printed legal tender, money that we had no option but to accept, if it had bought its munitions or bought your wheat and our farmers' products for paper money that became worthless, you would have given up the products

of your labour and would have had something pretty enough to look upon as a picture but not good enough to buy goods to sustain your home or your family.

By the Chairman:

Q. Isn't this what has happened in Germany, that all the people who were rentiers, as we call them in our province, people living on the interest of their capital, saved or inherited, have had that capital wiped out through inflation?—A. Yes.

Q. Is it not true that all persons who had laid up some money for their old age, and had it in the form of bank deposits, bonds or debentures, have had their savings wiped out?—A. That is what I was trying to say.

Mr. SALES: That class which is living on interest?

The CHAIRMAN: Not only the class living on interest, but the hard-working clerk who is sixty years of age and has tried from year to year to pay aside a few hundred marks, so as to be able to look forward to an independent autumn of life, finds that those savings of a lifetime are wiped out by inflation?—A. Absolutely, and he has to go to work, and work hard.

Q. Is it not true that all such persons as clerks in industrial offices, the white-collared proletariat, clerical help of all sorts, and even the learned professions, college professors, ministers, and all those with fixed salaries have found that inflation has run far in advance of any adjustment of salaries which the state or large employers of labour have been able to make?—A. Absolutely. It has sapped their vitality.

Q. Is it not a preposterous caricature for people to pretend that the printing of a lot of money in Austria or in Germany has resulted in prosperity to either of those countries?—A. I cannot see it in any other light.

By Hon. Mr. Motherwell:

Q. Did you notice in this morning's press despatches the report that there was a deputation on its way to ask the Government to guarantee a minimum price on wheat?—A. I did not notice that.

Q. Have you anything to say about that, if it is so?—A. To guarantee a minimum price on wheat?

Mr. SALES: Where from, Mr. Motherwell?

Hon. Mr. MOTHERWELL: Saskatchewan.

WITNESS: I am opposed to the Government attempting to regulate anything of that kind. I think it is absurd and futile. When you consider that the normal consumption of wheat is three billion bushels, and that production has gone up as high as four billion bushels, for our Government to attempt that is simply to shift it to the rest of the population. To take the risk of a collapse in prices and give the advantage to one particular class, I say that is absurd.

By Hon. Mr. Motherwell:

Q. These things were done during the war, and some people do not differentiate between war and peace conditions?—A. We had to do many things during the war, in order that we might live.

Mr. GARDINER: I do not think that even Mr. Motherwell will admit that there was a minimum price placed during the war. There was a maximum price.

WITNESS: A fixed price.

Hon. Mr. MOTHERWELL: During the war, you mean?

Mr. GARDINER: Yes.

Hon. Mr. MOTHERWELL: It was a fixed price.

The CHAIRMAN: Of course at that time the fixed price satisfied nobody, neither the consumer nor the producer. If it did not satisfy during the war, when it was a sheer necessity, it cannot satisfy now. It is bad economics.

Hon. Mr. MOTHERWELL: We had it both ways, both a maximum and a minimum. For two years there was a maximum.

Mr. GARDINER: When did we have the minimum?

Hon. Mr. MOTHERWELL: When we got it advanced to $2.15. That was the minimum.

Mr. GARDINER: No, that was the maximum.

Hon. Mr. MOTHERWELL: We got 48 cents over that.

WITNESS: There were participation certificates in addition to that.

Hon. Mr. MOTHERWELL: In the United States they had a minimum.

The CHAIRMAN: As I understand it, there was no fixed price like there was in the States. The Wheat Board sold the crop and divided the proceeds.

Mr. CALDWELL: There were no proceeds.

The CHAIRMAN: Professor Swanson was before the Banking Committee all day yesterday and we have had him before us all afternoon, and we must not insist upon those who wish to help us carrying on for too long. I desire to express to Professor Swanson on your behalf and on my own our gratitude for his having come before us. I only asked him to come before us yesterday because I thought he had something of value to communicate and we are very much obliged for his coming before us.

By Mr. Gardiner:

Q. Early in your evidence you make a statement something to this effect, that some people seem to think that all that was necessary was for the Government to print money. Have you ever heard anyone in Canada advocating such a scheme?—A. The opinion has been widely held that you can restore prosperity by tinkering with money, that that was the one thing to do. William Jennings Bryan fought an election in 1896 on that very issue. It was practically the same thing, that if that one thing were done, it would achieve prosperity.

Q. The one thing I wanted to be sure of was this: Does the Professor know any one in Canada who has been advocating that we should print money? That is the one thing I want to get clear.—A. Do you mean to say any one individual?

Q. Any individual or any number of individuals or associations.—A. I think I am correct in saying that that opinion is held by quite a number of people, that the Government ought to print more money in order to finance industry, and that the bank note should be wiped out and Government money replace it, and the like. Yes, I think that opinion is held by some people.

Q. Of course there may be certain qualifications in that, but from your first statement I understood you to say that people in this country are advocating that the Government should print money.—A. My statement was a mere outlined statement. I cannot safeguard everything I say, you understand. What I meant to say was, that that, in the opinion of many people, is the important matter in restoring prosperity.

By Mr. Sales:

Q. I was interested in that remark of yours, tinkering with money. It all depends on who is doing the tinkering.—A. Yes.

Witness retired.

The Committee adjourned until 10.30 a.m., Thursday, May 10, 1923.

APPENDIX No. 3

HOUSE OF COMMONS,
COMMITTEE ROOM 268,
Thursday, May 10th 1923.

The Special Committee appointed to inquire into Agricultural conditions throughout Canada, met at 10.30 a.m., Mr. McMaster, the Chairman, Presiding.

The CHAIRMAN: Will the committee please come to order. Before calling the witnesses, gentlemen, I have several letters which I want to bring before you before I hand them for safe-keeping to the clerk. Two letters are from a Mr. Blanchard of Truro, Nova Scotia, who makes assertions as to the unwisdom of certain action of the Department of Agriculture in connection with the importation of pure bred stock, and also about the policy of establishing experimental farms apart from agricultural colleges. He seems to think that it would be well that he be called before the Committee in order to give his views touching these matters. I have replied to him that I think the matters he brings up are rather matters of departmental administration than otherwise. Naturally I did not feel that the duties of this Committe included examination into the administration of the department, and also that our time was very limited indeed, and I did not hold out any hope to him of being called. I hope I did rightly. I have three letters here which I wish to bring before you. They are written to me, one by a firm called Paynter Brothers, of Tantallon, Saskatchewan; another by J. S. Monro & Company of Reston, Manitoba; another by Foreman Brothers, of Arden, Manitoba. All these three letters refer to the evidence of Mr. Benson, who stated that he did not believe that the operation of such companies as the Merchants Consolidated Company, would inure to the benefit of the consumers, and all these three merchants stated that by buying through the Merchants Consolidated Company rather than through the ordinary channels, they have been able to effect savings in their purchases, which have been passed on to the consumer. We will not print these letters, and with that expose of what is in them, I think they may be filed as Exhibits.

CHARLES SIDNEY WALTER SHORT, called and sworn.

By the Chairman:

Q. What do you do, Mr. Short?—A. I work for the Massey-Harris Company.

Q. What do you do in that extensive establishment?—A. I am in charge of the Cost Estimating Department of the factory.

Q. The Cost Estimating Department of the factory?—A. Yes.

Q. Are you the head man in that department?—A. Yes, sir.

Q. To whom do you report?—A. I report to the management.

Q. Directly to the General Manager, Mr. Bradshaw?—A. The Manager's Department.

Q. To the Manager's Department?—A. Yes.

Q. Will you explain to the Committee—and remember we are lay men, we are not manufacturers—will you explain to us very clearly just what your system of cost accounting is, how you estimate and calculate the costs of the machinery you build in that factory?—A. We have the material listed. This is priced at various times by the Purchasing Agent. We, in our department, gather the labour on the different machines and that is applied and we also apportion the factory expenses against the productive labour.

Q. Now it is easier to understand, if you take a concrete illustration. Suppose I walked into the factory in Toronto this morning, and I saw a binder

on the floor that had to be shipped to reap the grain next fall, in Manitoba, let us say, and I said, "now, Mr. Short, how much did it cost your employers to make this binder"? How would you reply to me? You would reply to me a certain figure. I would like to know how you would make this figure, and let us suppose that that binder was made last fall?—A. We could not tell you the exact cost of that particular binder, unless it was made in the previous season, because, take to-day, for instance, we are just commencing our binder programme.

Q. Your what programme?—A. Our binder manufacturing programme, and we cannot tell until the next programme is completed what the cost per binder has been, because we average the total cost over the whole production.

Q. Over the whole production?—A. Over the whole production of the season

Q. That is the way you arrive at the average of what your binders cost you, but do you not keep the cost of what every machine you put out costs you?—A. No, we only estimate in our Department, the average cost.

Q. Let us see if we can work this thing out. That binder is made of steel, wood, canvas, paint. What else? Anything else?—A. Nuts, rivets and so on. You have covered pretty nearly everything.

Q. The steel for that binder came into your factory?—A. Yes.

Q. As a rule that steel came into your factory for that binder, that was finished last month?—A. It would come in the beginning of this season, probably, or in fact, just now we are waiting on material for binders.

Q. I have my binder all made and there it is on the floor of the factory, and it arrived there last month?—A. You would not get at any average cost just now.

Q. You are not ready for shipment?—A. Only last year's manufactures.

Q. You say that the hypothetical case I have put is an impossible case, because you did not finish that last month?—A. No.

Q. Or anything you finished last month was made from material bought before?—A. Exactly.

Q. Well now, when did you finish the binders that are ready to be sent out?—A. They must have been finished last season.

Q. When last season would they be finished?—A. Probably July. I am not very well acquainted with the manufacturing process. That is the production schedule, Mr. Chairman.

By Mr. McKay:

Q. Your manufacturing is going on day by day?—A. There are numerous machines going through at the same time.

By Mr. Gardiner:

Q. You are not manufacturing binders alone?—A. No.

Mr. GARDINER: The system is that they will start their programme of manufacturing binders for next harvest probably about now, and they will continue that until they make the number that is necessary, and then stop.

By the Chairman:

Q. Perhaps the binder is an unfortunate implement to have picked out.—A. No, they would be all of the same category. The machines are put through pretty much together.

Q. I suppose you have some binders on your floor ready for shipment now?—A. I presume we have.

Q. You say that these were made some time ago?—A. Yes.

Q. Were completed some time ago?—A. Yes.

Q. They are made of steel?—A. Yes, sir.

Q. The binders that are ready now were made from steel purchased when?—A. That would be last season.

Q. What did you pay for the steel that went into the binder?—A. I have no record of that with me, sir. I have the present prices of material, Mr. Chairman.

Q. You have the present prices?—A. Yes.

Q. How do the present prices compare with the prices you were paying last season. Are they higher or lower?—A. They would be higher.

Q. They are higher now than they were last season?—A. Yes.

Q. How much higher?—A. I do not know what percentage it is, Mr. Chairman.

Q. Do you remember the figures?—A. No, sir, I do not. There are such a mass of figures, I cannot tell you.

Q. I can quite understand you cannot carry all these things in your head. Well, what are you paying for steel that goes into the binder to-day?—A. What particular class of steel, sir?

Q. I presume there are different steels. We will have to differentiate between the different steels. Perhaps you will help us. We will build a binder together. That is the best way to do. What different sorts of steel go into a binder?—A. We have cold rolled steel.

Q. What is that used for?—A. That is used for making studs and shafts and wearing parts, rollers, and so on.

Q. That is, the moving parts of the machine?—A. Yes, sir.

Q. What does that cost?—A. The cost of that laid down averages—

Q. Let us have first of all what it costs you f.o.b. Pittsburg. You buy that in Pittsburg?—A. Yes, sir.

Q. What does it cost you in Pittsburg?—A. The base price is $2.03 per hundred pounds.

Q. What does "base price" mean?—A. That is the base price of a certain size. Over and under that size, it would be a different rate, sir.

Q. A different price?—A. Yes.

Q. That is, $2.03 per hundred pounds Pittsburg?—A. Yes.

Q. And then it would cost you to lay it down in Toronto, how much?—A. A quarter inch around is $5.51 per hundred pounds. The size of course makes the difference in the price.

Q. Well, now, you see what I am trying to get at. You say part of this machine is made of cold rolled steel in the form of rollers and studs and shafts, and I would like to know how much cold rolled steel at to-day's price goes into a binder, and how much it costs. We are trying to pick the thing out. You say the base price is $2.03 per hundred pounds Pittsburg?—A. Yes.

Q. Is that the basic price, or are they above or below the basic price? What do the rollers cost per hundred pounds?—A. Quarter-inch diameter costs $6.83 laid down, for cold rolled steel for roller bearings.

Q. How many pounds of that go into a binder?—A. I have not got that totalled up, sir.

Q. Well, don't you know how much cold rolled steel goes into a binder?—A. I have not the division made that way.

Q. I do not want to hamper you in your evidence. Perhaps you will tell us how you make the division.—A. Quarter-inch is priced at $6.83 per hundred pounds. All the quarter-inch is grouped together and extended at that price.

Q. What does the quarter-inch stuff that goes into the binder cost you?—A. Quarter-inch cold rolled is $6.83, and there are 2·11 pounds, that is, 14·4 cents. That is the extension. There is just that one size, quarter-inch.

Q. The quarter-inch costs you now?—A. 14·4 cents.

Q. Now there are some other things made of cold rolled steel.

Mr. GARDINER: It may be as well to get the other sizes. They are not all made the same size.

By the Chairman:

Q. I will have you finish with your rollers first, and we will pass on to something else.—A. Three-eighths is the same price, $6.83. That size happens to be on the same basis.

Q. And what does that extend to?—A. 35½ cents.

Q. Now, how many pounds were there of the first quarter-inch size?—A. 2·11 pounds.

Q. And how much were there of the next?—A. 5·20 pounds.

Q. Of the ⅜-inch?—A. Yes, sir.

Q. Now, what is the next?—A. We have 7/16ths, that is for a plunger. Do you want me to continue on rollers?

Q. Well, have you finished with rollers? I think the better way to go about it is to try and get the different constituents of the machine—the different constituent parts. You say some are made of cold rolled steel. We will take the different parts made of cold rolled steel, and exhaust those, and then pass on to the next, if that is a convenient way to do it.—A. 7/16ths, ·11 pounds, $6.42 per hundred pounds.

Q. That extends to?—A. 7/10ths of a cent.

Q. Does that exhaust the rollers or the plungers?—A. Just let me point out, Mr. Chairman, that that is just the main part of the machine. It does not include any sheaf carrier, or other attachments which are sometimes ordered, or sometimes not ordered. We figure the machine separately. I just want to point that out.

Q. Now, does that exhaust all the cold rolled steel?—A. No, sir, not by any means.

Q. Does that exhaust the different sorts of rollers?—A. These are not all rollers.

Q. The first two were rollers, were they?—A. Yes.

Q. And the third was?—A. It was a plunger.

By Mr. Milne:

Q. What is the plunger, may I ask?

By Mr. Sales:

Q. Whereabouts is the plunger on the binder?—A. It would be a plunger for a lever. Cold rolled steel for headless pins, one-quarter-inch diameter, ·29 of a pound, $5.51 per hundred pounds, 1 6/10 cents. 5/16—

By the Chairman:

Q. That is headless pins too?—A. Yes, sir.

Q. 5/16?—A. 5/16—·29 of a pound.

Q. That amounts to what?—A. That amounts to 1 6/10 cents.

Q. I suppose you are glad you do not have to calculate this in marks?—A. It might be easier. We could take a wild guess at it.

Q. You are glad you do not have to calculate it in pounds, shillings and pence?—A. That is what was just in my mind. I think we would reduce it all to half pence and take it that way. ⅜-inch diameter—

Q. What is this?—A. This is in the same class.

Q. Headless pins?—A. Headless pins.

Q. Why are they headless—so that they will drop out easily and you will be able to sell more of them?—A. No, they are for rivetting, Mr. Chairman

Q. How many pounds in that?—A. ·35.

Q. What does that amount to?—A. $1\frac{9}{10}$ cents.

By Mr. Sales:

Q. This will be a long list by the time we get through with it. Your binders are all made for the season of 1923?—A. No, sir. We are making them now. We have just commenced them.

By Mr. Elliott:

Q. You mean for 1924?—A. No, sir, 1923.

By Mr. Sales:

Q. Have you any on hand of last year's?—A. I could not tell you.

By Mr. Gardiner:

Q. Have you the cost of your binders for last year?—A. I have the material prices to-day, and the labour of last year. That is the only thing I can give you.

Mr. GARDINER: I would like to suggest, if I might be allowed to do so, that we go over the production of binders of last year, a complete cycle of production.

The CHAIRMAN: We will do it the other way too, and get a check on our figures.

By the Chairman:

Q. We have the three varieties of headless pins?—A. You did not get the half inch, did you?

Q. No, what are they?—A. ·04 of a pound at $5.10 per hundred pounds, $\frac{2}{10}$ of a cent. Cold rolled steel for keys, quarter inch square or quarter and five-sixteenths, the same price if you like.

Q. They are keys?—A. They are keys.

Q. How many do you put in a machine?—A. ·46 of a pound.

Q. They cost how much?—A. They are priced at $7.22 per hundred pounds, $3\frac{3}{10}$ cents. Cold drawn steel, $\frac{9}{16}$ in diameter.

Q. What is that used for?—A. Shafts. We have 10·51 pounds at $5.31 per hundred pounds, $55\frac{8}{10}$ cents. Then we have $\frac{3}{4}$ inch.

Q. What is that used for?—A. One of the spindles. That weighs 2·47 pounds at $5.23 per hundred pounds, $12\frac{9}{10}$ cents. $\frac{15}{16}$ diameter.

Q. What is that?—A. That is another shaft. 5·11 pounds, $4.91 per hundred pounds, $25\frac{1}{10}$ cents. Cold drawn screw stock.

Q. Is that the same as cold rolled?—A. It is a special steel for cutting threads on; that is a stud. ·07 of a pound at $5.51, $\frac{4}{10}$ of a cent.

Q. What was that stock again, I did not catch it?—A. Cold drawn screw stock, for making screws.

Q. Did you give us any size for that?—A. That is $\frac{3}{8}$.

Q. For screws?—A. Yes, sir. $\frac{9}{16}$ diameter.

Q. Is that for screws too?—A. No, sir, that is another shaft. ·39 of a pound.

Q. In weight?—A. Yes, sir, $5.10 per hundred pounds, extension 2 cents. The same class of stock, $\frac{11}{16}$ diameter.

Q. What is that made into?—A. That is a wrist pin.

Q. It weighs how much?—A. ·60 of a pound.

Q. And the price?—A. These are laid down prices. $4.84 per hundred pounds, extension $2\frac{9}{10}$ cents. $\frac{3}{4}$ inch diameter, used for studs, spindles, pins, shafts and trunnions.

Q. What is a trunnion?—A. That is a thick washer. A washer might be more than an inch thick.

Q. It might be about an inch and a half thick?—A. Yes.

Q. That is a trunnion?—A. Yes.

Q. What does a trunnion weigh?—A. This total aggregation of three-quarters is 14·41 pounds at $4.84, 69$\frac{7}{10}$ cents. $\frac{7}{8}$ diameter—

Q. Used for what?—A. Studs and trunnions, 1·13 pounds.

Q. At what price?—A. At $4.71. Extension 5$\frac{3}{10}$ cents.

Q. These prices are the average prices you paid while buying this stuff?—A. These are present prices, sir. $\frac{5}{16}$ diameter, for studs and shafts, 2·57 pounds at $4.71, 12$\frac{1}{10}$ cents extension. 1$\frac{1}{16}$ diameter—

Q. What is that used for?—A. That is a trunnion. ·16 of a pound at $4.71, extension $\frac{8}{10}$ of a cent. 1$\frac{1}{8}$ diameter, washers, ·21 at $4.65, 1 cent. 1$\frac{3}{16}$ diameter, a stud, ·55 of a pound at $4.65, 2$\frac{6}{10}$ cents. 1$\frac{1}{4}$ diameter, for rolls and bushes.

Q. I have often seen the word "bush" in connection with machinery, but I have never been able to understand what a bush is. What is it?—A. In this particular case it is a steel band which is around the end of a wood piece.

Q. That costs how much?—A. That is 5·13 of a pound at 4.65 cents, 23$\frac{?}{10}$ cents. 1$\frac{5}{16}$ diameter, ·46 of a pound at $4.65, extension 2$\frac{1}{10}$ cents. Cold drawn steel——

Q. Is that all cold rolled steel, or was some of it cold drawn steel before?—A. Some of it was cold drawn; the screw stock was cold drawn.

Q. But most of it has been rolled, has it? I will not bother you with that now, because it does not make much difference. Go ahead with the steel stuff. I wish one of the gentlemen present would total up the amount of steel that has gone into this machine. All right, we have the cold drawn steel now.—A. 12·44 pounds at $5.23 per hundred pounds, 65$\frac{1}{10}$ cents.

Q. What is that cold drawn steel, you gave me the size, but I forgot to take it?—A. 1$\frac{1}{16}$.

Q. What is that used for?—A. That is a reel shaft.

Q. You say a reel shaft?—A. Yes, sir. The same size, 1$\frac{1}{16}$, a different quality for another shaft.

Q. What do they call that shaft that has a different quality?—A. The one I just gave you was 20 to 30 carbon.

Q. And this other shaft, what does it weigh?—A. 13·50 pounds at $4.91.—66·3 cents.

1$\frac{3}{16}$ knotter shaft, weighing 14·05 pounds $4.84—68 cents.

1$\frac{5}{16}$. That is for shafts weighing 6·98, $5.04 per 100 pounds. 35·2 cents.

The same size, another shaft, 9·52 pounds, $4.84 per 100 pounds. That is 46·1 cents.

By Mr. Sales:

Q. What shafting is that, Mr. Short?—A. I couldn't tell you from the number of the piece what the shaft is, sir.

Cold drawn steel, special for needle cranks. 1$\frac{5}{16}$ diameter. This is a special steel, open hearth, 14·53 pounds. $5.17 per 100 pounds. 75·1 cents. That exhausts the cold rolled and cold drawn steel.

By the Chairman:

Q. Have you any other varieties of steel?—A. Oh, yes, sir. Angle steel. 1 inch by $\frac{5}{8}$ by $\frac{1}{8}$ thick. 18·37 pounds. $3.67 per 100 pounds. 67·4 cents.

The next, 1 inch by 1 inch by $\frac{3}{16}$, angle steel, 2·72 pounds. Price $3.50 per 100 pounds. Extending to 9·5 cents.

Angle steel 1¼ by 1¼ by 3/16 weighing 50·94 pounds. Price $3.50 per 100 pounds. That extends to $1·783.

1½ by 1½ by 3/16. 15·22 pounds. Price $3.45 per 100 pounds. 52·5 cents.

1¾ by 1½ by 3/16 angle steel. 7·99 pounds. Price $3.45 per 100 pounds. Extending to 27·6 cents.

1¼ by 1¼ by ¼-inch. 13·52 pounds at $3.45 per 100 pounds. 46·6 cents.

1½ by 1½ by ¼-inch. 9·38 pounds. $3.45 per 100 pounds. 32·4 cents extension.

1¾ by 1½ by ¼-inch. .64 pounds. $3.45 per 100 pounds. 2.2 cents extension.

1½ by 1½ by 5/16. 10·70 pounds. $3.45 per 100 pounds. 36·9 cents.

I am now going to repeat some sizes I have already given you but it is a different quality of steel.

Q. That is all right. This is a long and tiresome job for you, and for all of us, but we will carry it through with cheerfulness. As Robert Louis Stevenson says: "Let cheerfulness abound within us."

Mr. SALES: It is a fine way of spending a holiday, Mr. Chairman.

By the Chairman:

Q. Go on then, Mr. Short?—A. We are still on angle steel. This is 35 to 45 carbon. A higher carbon.

1-inch by 1-inch by 3/16. 4·23 pounds. $3.56 per 100 pounds. 15·10 cents.

1¼ by 1¼ by 3/16-inch, the same quality. 14·66 pounds. $3.56 per 100 pounds. 52·2 cents.

1¼ by 1¼ by ¼-inch. 15·34 pounds. $3.56 per 100 pounds. 54·6 cents extension.

Then we have a special angle steel. 1 5/16 by ⅛ by 9/16 by 3/16. 3·08 pounds. $4.20 per 100 pounds. 12·9 cents extension.

The next is what is known as cultivator beams. That is just a technical, manufacturer's description of it. It is a kind of channel steel; a small channel. The size is 1-37-64 by 43/64 by 3/16. 8.64 pounds $3.63. Per 100 pounds. 31.4 cents.

That is a steel that is used for levers. Probably you will understand what we mean by cultivator beams by that.

Double bevelled steel 2¼ by 7/32 by 5/32-inch. $3.47 per 100 pounds. ·9 of a cent.

The weight is ·25.

Now we come to band steel:—

2¾"	by	No. 12	gauge	·96	lbs.	at	$4.11	per 100	lbs.; extension	3·9 cents
⅜"	"	No. 10	"	3.44	"		$4.32	"	"	14.9 "
¾"	"	No. 10	"	1.37	"		$4.43	"	"	6.1 "
1 "	"	No. 10	"	1.5	"		$4.22	"	"	6.3 "
1½"	"	No. 10	"	.41	"		$4.11	"	"	1.7 "
1¼"	"	No. 10	"	.34	"		$4.17	"	"	1.4 "
1¾"	"	No. 10	"	.17	"		$4.11	"	"	.7 "
2 "	"	No. 10	"	.18	"		$4.11	"	"	.7 "
2¼"	"	No. 10	"	.39	"		$4.11	"	"	1.6 "
2½"	"	No. 10	"	.40	"		$4.11	"	"	1.6 "
1½"	"	No. 12	"	.59	"		$4.11	"	"	2.4 "
1⅛"	"	No. 14	"	.16	"		$4.22	"	"	.7 "
1 "	"	No. 18	"	.21	"		$4.43	"	"	.9 "
⅝"	"	No. 10	"	.14	"		$4.53	"	"	.6 "
⅞"	"	No. 10	"	.61	"		$4.32	"	"	2.6 "
1¼"	"	No. 16	"	2.21	"		$4.27	"	"	9.4 "
2½"	"	No. 16	"	.05	"		$4.22	"	"	.2 "

[Mr. C. S. W. Short.]

Then tire steel.

Q. That is to put on the wheels I suppose?—A. Yes.

9″ by No. 11 gauge 35.19 lbs. at $4.09 per 100 lbs. extension $1.43 9/10c.

Then hoop steel:

1″ by No. 16 gauge .05 lb. at $4.32 per 100 lbs. extension .2 cents.

Then strip steel high carbon:

6″ by No. 14 gauge 1.23 lbs. at $7.42 per 100 lbs. extension 9.1 cents.

1/4″ by No. 16 gauge .01 lbs. at $7.71 per 100 lbs. extension .1 cent.

Q. Just before we go on, was it you who introduced this system of cost accounting?—A. No, sir.

Q. What was the nationality of the man who got up this cost accounting system?—A. A Canadian.

Q. I thought he might have been Scotch?—A. Then flat steel square edge—this is low carbon:

7	″	by	1/8″	gauge	1.82	lbs.	at	$4.01	per	100	lbs. extension	7.3 cents
1	″	“	3/16″	“	4.58	“		$4.11	“		“	18.8 “
1 1/4	″	“	3/16″	“	2.	“		$4.11	“		“	8.2 “
1 1/2	″	“	3/16″	“	.40	“		$4.05	“		“	1.6 “
1 3/4	″	“	3/16″	“	.14	“		$4.05	“		“	.6 “
3 3/4	″	“	3/16″	“	.62	“		$4.05	“		“	2.5 “
4 1/2	″	“	3/16″	“	6.18	“		$4.05	“		“	25. “
7	″	“	3/16″	“	1.31	“		$3.62	“		“	4.7 “
7/8	″	“	1/4″	“	5.21	“		$3.62	“		“	18.9 “
1	″	“	1/4″	“	2.49	“		$3.45	“		“	8.6 “
1 1/8	″	“	1/4″	“	5.	“		$3.45	“		“	17.3 “
1 1/4	″	“	1/4″	“	22.29	“		$3.45	“		“	76.9 “
3	″	by	1/4	gauge	.92	lbs.	at	$3.45	per	100	lbs. Extension	3.2c.
1	″	“	5/16	“	2.96	“	“	3.45	“	“	“ “	10.2
1 1/4	″	“	5/16	“	12.36	“	“	3.45	“	“	“ “	42.6
1	″	“	3/8	“	.64	“	“	3.35	“	“	“ “	2.1
1 1/8	″	“	3/8	“	4.72	“	“	3.35	“	“	“ “	15.8
1 1/2	″	“	3/8	“	2.87	“	“	3.35	“	“	“ “	9.6
1 1/2	″	“	7/16	“	2.76	“	“	3.35	“	“	“ “	9.2
1 1/4	″	“	1/2	“	.51	“	“	3.35	“	“	“ “	1.7
2	″	“	1/2	“	27.13	“	“	3.35	“	“	“ “	90.9
6	″	“	3/16	“	1.51	“	“	4.05	“	“	“ “	6.1
2 1/4	″	“	1/4	“	12.67	“	“	3.50	“	“	“ “	43.3
6	″	“	3/16	“	.96	“	“	4.11	“	“	“ “	3.9

Flat Steel, Round Edge—

1	″	by	1/4	gauge	1.55	lbs.	at	$3.45	per	100	lbs. Extension	5.3c.
2 1/4	″	“	3/16	“	.67	“	“	4.05	“	“	“ “	2.7
1 1/4	″	“	1/4	“	4.16	“	“	3.50	“	“	“ “	14.6

Open Hearth Basic Forging Steel—

1 3/4″ by 5/8 gauge 2.18 lbs. at $3.35 per 100 lbs. Extension 7.3c.

Half Oval Steel—

2 1/4″ by 5/16 gauge 11.79 lbs. at $3.62 per 100 lbs. Extension 42.7c.

Iron Finish Machinery Steel—

1/2″	diam.	6.96	lbs.	at	$3.45	per	100	lbs.	Extension	24.0c.		
3/8″	“	2.88	“	“	3.67	“	“	“	“	10.6		
5/8″	“	22.22	“	“	3.45	“	“	“	“	76.7		
7/16″	“	2.09	“	“	3.61	“	“	“	“	7.5		
1/2″	“	2.83	“	“	3.50	“	“	“	“	9.9		
1/2″	“	2.35	“	“	3.50	“	“	“	“	8.2		
	(Higher carbon)											
9/16″	“	.90	“	“	3.50	“	“	“	“	3.2		

[Mr. C. S. W. Short.]

APPENDIX No. 3

Smooth Finish Screw Stock—

$1\frac{1}{8}$" diam. 1.08 lbs. at $3.62 per 100 lbs. Extension 3.9c.

Hot Rolled Knife Back Steel—

5.72 lbs. at $4.68 per 100 lbs. Extension 26.8c.

Smooth Finish Machinery Steel—

$\frac{3}{8}$"	diam.	1.01	lbs. at	$3.93	per	100	lbs.	Extension	4.0c.
$\frac{1}{2}$"	"	1.56	" "	3.77	"	"	"	"	5.9
$\frac{5}{8}$"	"	1.85	" "	3.77	"	"	"	"	7.0
$\frac{1}{2}$"	"	.94	" "	3.72	"	"	"	"	3.5
	(Lower carbon)								
$1\frac{3}{16}$"	"	6.62	" "	3.78	"	"	"	"	25.0
	(High carbon)								
$\frac{7}{8}$"	"	6.28	" "	3.78	"	"	"	"	23.7

$1\frac{1}{16}$" diameter.

Q. What are all these things used for, this smooth-finished machinery steel? —A. Crank, rods, shafts.

Q. How many pounds of that $1\frac{1}{16}$ inch diameter?—A. 5·59 pounds; $3.78 per 100 pounds; extension 21·1 cent.

Q. Next?—A. Binder "T" bars, $2\frac{1}{2}$ inch by $1\frac{25}{32}$ inch by $\frac{13}{32}$ inch, 50·20 pounds, $4.68 per 100 pounds, extension 2·349 cents. Bright steel wire rods, $\frac{3}{16}$ inch diameter, 1·09 pounds, $3.53 per 100 pounds, extension 3·8 cents.

Steel pipe, $\frac{1}{4}$ inch diameter, ·69 of a foot.

Q. What does that weigh?—A. That is purchased by the foot, Mr. Chairman.

Q. You see, we have everything in pounds. Would it be a long job to put it in pounds? We are able to prove by example, because we know what the finished product weighs. However, if you cannot do it, just go ahead. It is how much?—A. ·69 of a foot, $3.34 per 100 feet, extension 2·3 cents, $\frac{3}{8}$ inch diameter, ·13 of a foot, at the same price, ·4 cents.

Q. What did you say the price was by foot?—A. $3.34, the same as the previous one.

Q. Per 100 feet?—A. Yes.

Q. That is, ·4 cents?—A. Yes. One inch diameter.

Q. This is pipe again?—A. Yes, 4·83 feet, at $11.96 per 100 feet, extension, 57·8 cents. Drawn seamless tubing, $2\frac{1}{4}$ inch outside diameter by 16 inch gauge, ·17 of a foot, at $20.59 per 100 feet, extension 3·5 cents. Bolt steel, $\frac{5}{16}$ inch diameter, ·35 of a pound, $3.72 per 100 pounds, extension 1·3 cents. $\frac{3}{8}$ inch diameter.

Q. How much of that?—A. 16·51 pounds.

Q. How much per pound?—A. At $3.62 per 100 pounds. That makes the extension 59 8 cents.

$\frac{7}{16}$ inch diameter, 2·79 pounds, $3.56 per 100 pounds, extension 9·9 cents. I have some more $\frac{3}{8}$ inch. 1·92 pounds, $3.62 per 100 pounds, extension 7 cents.

$\frac{1}{2}$ inch diameter, 8·21 pounds, $3.45 per 100 pounds, extension 28·3 cents.

$\frac{9}{16}$ inch diameter, ·78 of a pound, $3.45 per 100 pounds, extension 2·7 cents.

Square steel iron finish.

Q. Where does that go?—A. That is the slanting shaft. $\frac{9}{16}$ inch square, 1·93 pounds, $3.95 per 100 pounds, extension 6·7 cents.

Iron finished machinery steel, low carbon, $\frac{7}{8}$ inch diameter, 11·82 pounds, $3.35 per 100 pounds, extension 39·6 cents.

$\frac{3}{4}$ inch square, 6·18 pounds, $3.35 per 100 pounds, extension 20·7 cents.

[Mr. C. S. W. Short.]

Iron finished screw stock, ·16 of a pound, $3.56 per 100 pounds, extension, ·6 cents.

½ inch square, ·42 of a pound, $3.45 per 100 pounds, extension 1·4 cents.

Smooth-finish square steel, $\frac{9}{16}$ inch square, 4·49 pounds, $3.77 per 100 pounds, extension, 16·9 cents.

Coppered steel string wire, No. 5 gauge, ·99 of a pound, $6.52 per 100 pounds, 6·5 cents.

Crucible Spring Steel—

$\frac{7}{8}$	by 17	gauge	·20	lbs. at	$16.26	per 100 lbs.	Extension	3·3 cents.
$\frac{7}{8}$	by 13	"	·13	"	15.67	"	"	2 "
$\frac{7}{8}$	by 14	"	·22	"	15.67	"	"	3·4 "
$\frac{7}{8}$	by 16	"	·17	"	16.26	"	"	2·8 "

Seat Spring Steel—

3	by $\frac{1}{4}$	gauge	2·82	lbs. at	$3.87	per 100 lbs.	Extension	10·9 cents.
3	by $\frac{3}{8}$	"	8·17	"	3.77	"	"	30·8 "

Smooth Finished Elastic Spring Steel—

$\frac{3}{4}$ diam. 4·79 lbs. at $3.67 per 100 lbs. Extension 17·6 cents.

Crucible Section Steel—

$4\frac{3}{4}$ by 14 gauge 11 lbs. at $6.63 per 100 lbs. Extension 72·9 cents.

Crucible Ledger Plate Steel—

$2\frac{1}{2}$ by 13 gauge 2·20 lbs. at $6.63 per 100 lbs. Extension 14·6 cents.

Crucible Steel for Notter Knife—

$3\frac{1}{16}$ by 14 gauge ·07 lbs. at $17.01 per 100 lbs. Extension 1·2 cents.

Rake Rod Steel—

$\frac{25}{64}$ diam. ·19 lbs. at $4.15 per 100 lbs. Extension ·8 cents.

Cast Chisel Steel, Octogon—

$\frac{5}{8}$ diam. 1·50 lbs. at $16.36 per 100 lbs. Extension 8·2 cents.

Small Cleat—

(This is a part we buy already completed), 1 at $2.18 per thousand pieces, ·2 cents.

Thumb Latch Shape—

(We buy these to shape, stamped to shape; we buy the shape and finish it up).

No. 16 gauge ·30 lbs. at $10.30 per 100 lbs. Extension 3·1 cents.

Bright Rivet Steel—

$\frac{3}{16}$	by 14	gauge	·36	lbs. at	$9.37	per 100 lbs.	Extension	3·4 cents.
$1\frac{1}{4}$	by 14	"	·34	"	9.37	"	"	3·2 "

Bessemer Steel Harvester Bottoms—

No. 17 gauge 59·30 lbs. at $4.87 per 100 lbs. Extension $2·88$\frac{8}{10}$.

Bessemer steel elevator sides, re-squared, one pass, cold rolled and hard annealed 5·95 pounds at $5.10 per hundred pounds, $30\frac{3}{10}$ cents. 18 gauge 7·12 pounds at $5.10 per hundred, $36\frac{3}{10}$ cents. 24 gauge 7·36 pounds at $5.15 per hundred pounds, $37\frac{9}{10}$ cents.

American Bessemer steel sheets, 17 gauge.

Q. What is the weight?—A. I have two different prices here for the same gauge. It is according to the width. The first I have is 2·73 pounds at $4.99 per hundred pounds, $13\frac{6}{10}$ cents. Another group we have is 3·66 pounds at $4.87, $17\frac{8}{10}$ cents. Number 18 gauge 1·45 pounds at $4.87 per hundred pounds, $7\frac{1}{10}$ cents. Number 20 gauge 2·64 pounds at $4.87, $12\frac{9}{10}$ cents. Number 24 gauge, 2·50 pounds at $4.99, $12\frac{5}{10}$ cents.

[Mr. C. S. W. Short.]

Another width but a different price 3·56 pounds at $4.93, the same gauge but different width and different price, $17\frac{5}{10}$ cents. The same gauge but another width 2·94 pounds at $5.26, $15\frac{5}{10}$ cents.

Blue annealed steel sheets, 14 gauge, ·23 of a pound at $4.22 per hundred pounds, 1 cent. The same gauge, another width, ·45 of a pound at $4.27 per hundred, $1\frac{9}{10}$ cents.

Sheet steel, cold rolled, 17 gauge, 5·56 pounds at $4.87, $27\frac{1}{10}$ cents.

Galvanized sheets, No. 20 gauge, 13·01 pounds at $5.58, $72\frac{6}{10}$ cents.

22 gauge, 2·87 pounds at $5.86, $16\frac{8}{10}$ cents.

Now we come to the purchased parts.

Q. Have you exhausted all you make in the steel?—A. We have some more coppered steel wires.

Q. Do not forget anything.—A. ·03 of a pound at $6.70 per hundred, $\frac{2}{10}$ of a cent. Bright iron wire, ·11 of a pound at $3.28, $\frac{1}{10}$ of a cent. That seems to be all the steel. Will I give you the cast iron now?

Q. Yes. Have we finished with the steel?—A. I think so.

Q. If you find any small parts during the noon recess, we will add them in afterwards.—A. All right.

Q. Now we come to the cast iron?—A. Yes. There is used 312·76 pounds at $3.25 per hundred. That has an extension of $10.16\frac{5}{10}$.

Q. What is that cast iron for, mostly; just give us a general idea?—A. The knotter frame is made out of that.

Q. The knotter frame is made out of cast iron?—A. Yes. I have three and a half sheets of that, different numbers and different parts.

Q. You have aggregated those together?—A. Yes.

Q. Does that finish up the cast iron?—A. Malleable castings, total weight 170·17 pounds at $8.23\frac{1}{2}$ per hundred, extension $14.01\frac{3}{10}$.

Q. What do those represent, just state it in the roughest fashion. Malleable castings?—A. Brackets, lever sockets, cranks, bearings, bell-pulls, guards, packers.

The next is steel chain. We buy this by the foot. 18 feet. $8.88 per 100 feet. $1·598.

Q. Where do you buy that, in Pittsburgh?—A. No, I don't know just where the plant is. Somewhere in the States.

Another steel chain, 7·72 feet, $17.10 per 100 feet. Extension $1.32.

Q. That is about 26 feet of chain?—A. Yes. Knotter hook, a purchased part; 1 used. $51.80 per 100 pieces. Extension 51·9.

Q. What part are you looking for now?—A. I was looking to see if I have got all the steel. I think we have. That knotter hook I gave you as being purchased at 51 cents, that is just a small hook, a part. It is just a little hook with a jaw, the part that grips the cord. The next is polished steel ball.

Q. What is this for, the ball bearing?—A. I don't know just where it is used, except that it is used in the ball bearing. It is a big ball.

Q. Do you purchase this?—A. Yes. 1 used. $6.97 a thousand. ·7 of a cent.

Grease cup, purchased, 1. 4·2 cents.

Now, I have springs, sir. Will I group them together and give you the total?

Q. Yes.—A. There are 14 springs and they are bought by the thousand. 43 cents extension.

Three hinges, 4·6 cents extension.

One cap screw ·5 of a cent.

Oil cap, 9·5 cents.

Wrench, one, 34·8 cents.

[Mr. C. S. W. Short.]

Cotton duck, will I group that together or would you like it separately?

Q. Put all the duck together. You buy that, of course?—A. Yes.

By Mr. Gardiner:

Q. You have three different widths and lengths?—A. Yes.

By Mr. Sales:

Q. Which binder is it that you are quoting?—A. The eight-foot, sir.

Mr. GARDINER: I should think it would be well to have it separately. We might want to know the different costs.

By the Chairman:

Q. Very well; we have gone into it with such meticulous care, we may as well continue with the duck. Give us the different widths.—A. 42 inches wide; 5·22 yards; at $80.52 per 100 yards. That is $4·203.

52 inches wide, 2·43 yards; at $101.23 per 100 yards; $2.46.

55 inches wide; 2·51 yards; at $107.75 per 100 yards; $2·705.

Twenty-six straps, 2.65\frac{7}{10}$ extension; thirteen buckles, 14·3 cents extension; twine $\frac{1}{10}$ cents. Now we come to the woodwork, will I group this together? It is all one inch thick, but there are different prices for the different widths.

The CHAIRMAN: Let us have the woodwork.

By Mr. Gardiner:

Q. There are an immense lot of items?—A. Yes, quite a lot of items.

By Mr. Hammell:

Q. What is the total cost of the woodwork?

By the Chairman:

Q. Whatever you say, gentlemen; we have done it all with the iron, and it makes a job of it?

Mr. HAMMELL: Iron is in different quantities.

The WITNESS: There are five pages.

By the Chairman:

Q. No, no, we won't take five pages; we will put them together; the woodwork amounts to— A. I will have to add it up. It takes 162·94 feet of lumber to make the parts.

By Mr. Gardiner:

Q. Is that lineal feet?—A. No, sir, that is board feet. That includes waste, of course. We have to allow for wastage. That is the material it takes to finish the parts up; and the extension of that is $14.47.

By the Chairman:

Q. Does that complete our cost of material? Is there anything else to add?—A. We have the hardware.

By Mr. Sales:

Q. Does that include the short tongue, the truck?—A. No, that is the binder less hitch or any other attachments.

Q. It does not include the short tongue?—A. No, sir, that is listed with fore-carriages.

By the Chairman:

Q. Then you have the paint?—A. We have bolts, nuts, rivets and small hardware; will I total that?

Q. Yes, please?—A. Mr. Chairman, you are looking for weights, will I give you the weight of these bolts and nuts?

Q. If you have it?—A. I can give you bolts and nuts and the washers—there are some parts which are bought, take wood screws and cotters and other little items like that that are bought by the thousand or by the gross, I could not give you the weight of that, but I will give you the total extension of all the bolts and what we call hardware, tacks, and so on, and I will give you the weights; will that be satisfactory?

Q. Quite sufficient?—A. I will give you the weights of the parts that are shown by weight. The weight of the bolts and nuts and washers, as far as they are bought by weight, Mr. Chairman, is 52·61 pounds, and the extension is $3.51.

Q. That is what you call hardware?—A. That is hardware.

Q. Then what is the next item? If some unscrupulous lumbermen get you to buy some wood that has some knot-holes in it, do you charge anything for the putty that has to be put in?—A. No, I do not think so, sir; we pick out good wood.

Q. You are never in that unfortunate position? -A. No, sir, our chief inspector would not let that by. The paint material, sir, is 2.81\frac{8}{10}$.

Q. What is that paint material composed of?—A. All the colours, the permanent red, the linseed oil, and the dryers, the turpentine, benzine, striping colours, and so forth.

Q. The paint, $2.81. Now, what else?—A. Printed matter. That is the instructions to set up the machine, and the stickers that go on the machine, saying, "Oil here," and "Be careful," and so on. That is 12 cents.

Q. Is it fair to charge to the machine the booklet that goes out?—A. It is sent with it.

Q. Very well, we will call that printed matter. Do you have your own printing plant?—A. Yes, sir.

Q. Now, have you forgotten anything?—A. You can check me if you wish. That totals 96.86\frac{7}{10}$.

Q. That is for material?—A. That is material on the main machine.

Q. We will just deal with the main machine, because your price is for the main machine.

Mr. SALES: No, Mr. Chairman, we buy the whole thing complete.

By the Chairman:

Q. We will build the complete machine this morning, then. What else is there? What did you say your amount was, please?—A. $96.86-$\frac{7}{10}$; that is the material that goes into the machine itself. Crating material—shall I give you the total of that?

Q. Yes, please?—A. $1.69-$\frac{1}{10}$. That is crating material. Four-horse trees—do you wish the detail of those?

Q. No, give us the the total?—A. You will hardly get the weight without it.

Mr. GARDINER: We are not concerned about the weight, it is the prices we want.

By the Chairman:

Q. Can you not give us the aggregate without the weight?—A. Yes, I can.

Q. Just give us the aggregate, whatever it is.—A. The steel and iron weighs

24·33 pounds, and there is 17·63 feet of lumber used to make the trees, and the total extension of the material is $2.22-\frac{2}{10}$.

Q. Is there anything else now that we should put in?

By Mr. Sales:

Q. What have you in that, have you the four-horse evener, and the four whiffles?—A. I have the four-horse evener, two double trees and four single trees. Then there is the neck yoke. The steel and iron in a neck yoke weighs 1·69 pounds; the lumber, 2·08 feet; extension for material $29-\frac{1}{10}$ cents.

Q. Which carriage are you quoting now?—A. No. 8 automobile fore-carriage.

By the Chairman:

Q. What does that mean?—A. That is the truck in the front that carries the weight of the machine and enables it to turn corners. The cast-iron weighs 70·02 pounds, at $3.25 per hundred pounds, extension $2.27-\frac{6}{10}$.

Q. Just go ahead. The cast-iron in the fore-carriage weighs 70·02 pounds? —A. Yes, and at $3.25 per hundred pounds, it is $2.27-\frac{6}{10}$. The malleable iron, 1·39 pounds at $8.23-\frac{1}{2}$ is $\cdot 11-\frac{4}{10}$. Angle steel, 3-inch by 2-inch by $\frac{3}{16}$-inch, 14·28 pounds at $3.72 per hundred pounds, $\cdot 53-\frac{1}{10}$; $2\frac{1}{4}$-inch, 14·49 pounds at $3.45 per hundred pounds, 50 cents.

$2\frac{1}{4}$"	by $1\frac{1}{2}$"	by $\frac{1}{4}$",	6.70	lbs. at	$3.45	per 100 lbs.,	extension 23.1c.
$1\frac{3}{4}$"	" $1\frac{1}{2}$"	" $\frac{1}{4}$",	6.45	"	3.45	" "	22.3
$1\frac{1}{4}$"	" $1\frac{1}{4}$"	" $\frac{3}{16}$",	1.94	"	3.50	" "	6.3

Q. Is that all of the fore-carriage?—A. No, sir.

The Chairman: Well, it is after 1 o'clock. I think we will adjourn now until 2.30 p.m.

The Committee adjourned until 2.30 p.m.

Afternoon Session

The Special Committee appointed to inquire into agricultural conditions through Canada, resumed at 2.30 p.m., Mr. McMaster, the Chairman, presiding.

C. S. W. Short recalled.

By the Chairman:

Q. Now, Mr. Short, we have pretty nearly finished with the fore carriage. The last item you gave us, for something or other was, 6.8 cents.—A. Smooth finish machinery steel, $1-\frac{1}{16}$-inch diameter, 11.50 pounds, $3.67 per 100 pounds, extension 42.2 cents.

Iron finish machinery steel $\frac{5}{8}$-inch diameter, 5.80 pounds, $3.45 per 100 pounds, extension 20 cents.

Flat steel square inch, 11-inch by $\frac{3}{16}$-inch, 5.12 pounds, $3.62 per 100 pounds, extension 18.5 cents.

$1\frac{1}{2}$-inch by $\frac{1}{4}$-inch, 2.79 pounds, $3.45 per 100 pounds, extension 9.6 cents.

$1\frac{3}{4}$-inch by $\frac{1}{4}$-inch, 2.83 pounds, $2.45 per 100 pounds, extension 9.8 cents.

2-inch by $\frac{1}{4}$-inch, .75 pounds, $3.45 per 100 pounds, extension 2.6 cents.

$2\frac{1}{4}$-inch by $\frac{1}{4}$-inch, 4.14 pounds, $3.45 per 100 pounds, extension 14.3 cents.

$2\frac{1}{2}$-inch by $\frac{1}{4}$-inch, 1.33 pounds, $3.45 per 100 pounds, extension 4.6 cents.

2-inch by $\frac{3}{8}$-inch, 3.40 pounds, $3.35 per 100 pounds, extension 11.4 cents.
$2\frac{1}{4}$-inch by $\frac{5}{16}$-inch, 5.24 pounds, $3.45 per 100 pounds, extension 18.1 cent.
$2\frac{1}{2}$-inch by $\frac{5}{16}$-inch, 2.83 pounds, $3.45 per 100 pounds, extension 9.8 cents.
$1\frac{1}{2}$-inch by $\frac{3}{8}$-inch, 7.94 pounds, $3.35 per 100 pounds, extension 26.6 cents.
Iron finished screw stock: $1\frac{5}{16}$-inch diameter, .88 pounds, $3.35 per 100 pounds, extension 2.9 cents.

Q. When were those figures made up that you are reading from?—A. Well, we have these costs in preparation with others since a couple of months. You see, we make out quite a few of them together, and get one class of work done on them, to find the weight of the materials. We get that done for four or five or six machines.

Q. These are the last costs that you have compiled?—A. Yes, sir. Bolt steel: $\frac{5}{8}$-inch diameter, 1.96 pounds, $3.40 per 100 pounds, extension 6.7 cents; $\frac{1}{2}$-inch diameter, 2.18 pounds, $3.45 per 100 pounds, extension 7.5 cents. Steel pipe: $\frac{3}{8}$-inch diameter, .11 of a foot, $3.34 per 100 ft., extension .4 cents; $\frac{3}{4}$-inch diameter, 1.05 ft., $5.06 per 100 ft., extension 5.3 cents. Purchased grease cups, 2 of them: $3.60 per 100 pieces; extension 6.1 cents.

Q. For the two of them?—A. Yes, sir. Wood: 25·19 ft., extension $2.15\frac{5}{16}$.

By Mr. Sales:

Q. What is that for?—A. That is for the long pole and the short pole. There is another piece of lumber, a block, 2.45 ft.; extension 20 cents.

By the Chairman:

Q. Now, does that finish the fore carriage?—A. No, sir. There is one more piece of lumber, 1.66 ft., extension, 15.2 cents.

Q. What is the next?—A. Bolts, nuts, washers, and so on—hardware. Will I detail that?

By Mr. Sales:

Q. No. Give it in a bunch.—A. The weight is 9.72 pounds, and the extension is 50.5 cents. Paint: Extension 27.1 cents.

Q. Where do you buy your paint, or do you make your own—A. We buy the raw materials, and mix our own paint.

Q. What is the total cost of the fore carriage?—A. The material is $9.29.

By the Chairman:

Q. That is the cost of the material that goes into the fore carriage?—A. Yes.

Q. Tell me what are the constituent parts of your paint? Linseed oil—is that dutiable?—A. I do not know anything about the duties on materials.

Q. We have the tariff here. Linseed oil, item No. 258, per 100 pounds, $1.25, under the British preferential tariff; $1.55, intermediate tariff, and $1.65 general tariff. Now, what else goes in? Turpentine?—A. Benzine.

Q. Turpentine?—A. Well, very little turpentine.

Q. What other trade name is there for benzine? I do not see it included in the index. What would it be under, do you know?—A. I do not know it by any other name, sir.

By Mr. Milne:

Q. Is it a petroleum product?—A. I am not acquainted with that.

By the Chairman:

Q. We will not spend the time looking that up. What other thing is there? Red lead?—A. We use permanent red powder—dry permanent red.

By Mr. McKay:

Q. You mix your own paints, I suppose, because you make a better paint, and a cheaper one.—A. We claim it is more suitable for our purposes.

By the Chairman:

Q. Is benzine a liquid dryer?—A. Yes.

Q. I think it would fall under Article 249 in the tariff. Are your paint and colours ground in spirits?—A. Ground in oil.

Q. Have we got all the material in now, or is there anything else?—A. That is not a complete binder. There is the sheaf carrier.

Q. Can you just aggregate or lump that together?—A. Do you not want the weight of these?

Q. Give me the weight?—A. Castings—

Q. Give me the weights of the whole thing.—A. There are different grades of steel.

Q. I should not complain or suggest a change of method, but the day is wearing on. If you have it all together I would be glad to get it. What does the sheaf carrier cost altogether?—A. I will give you the weight in total. It will weigh 64·35 pounds. Extension, $2.77\frac{2}{10}$.

Q. Mostly built of steel, I suppose?—A. Steel, malleable and cast iron castings.

Q. Does that finish up the binder?—A. No, sir. We have the wind canvas and the outside reel support.

Q. Do those come in with the ordinary price of the machine?—A. The outside reel support.

Q. What does it weigh and what does it cost?—A. Do you want it in total?

Q. Yes, please.—A. The weight is 67 pounds, extension $2.96\frac{4}{10}$.

Q. Does that complete it? What else is there?—A. There is the wind canvas.

Q. Well now, what is that?—A. I think I had better total these.

Q. No, thank you.—A. Because the canvas and the woodwork is not——.

By Mr. Sales:

Q. It will not take two minutes to give that?—A. It will not take long to detail that. Iron castings, 2.28 pounds at $3.25 per 100 pounds. Extension, 7.4 cents. Canvas, 1.18 yards at $22.29 per hundred yards; extension, 26.3 cents. Wood 6.98 feet—I am grouping these together.

Q. Yes.—A. 67.6 cents.

By the Chairman:

Q. Anything more?—A. Just the bolts and hardware. I will just total them up.

Q. Yes, please.—A. Weight, 1.12 pounds. Extension, 9.9 cents.

Q. Well now, have we got our machine completed.

By Mr. Sales:

Q. What is the windshield?—A. $1.11\frac{2}{10}$.

Q. Is that the lot?—A. That is the material on the binder.

Q. The total is what?—A. $116.58.

By the Chairman:

Q. Well now, that was totalled up when? You had that in your book, did you not?—A. Yes.

Q. When was that figure arrived at, do you know?—A. As I have explained before, these weights have been in preparation, and the sheets have been in preparation for probably two months.

Q. I was just wondering when that figure of $116.58 as the aggregate of all the machinery that went into the binder was arrived at. Was it arrived at a month ago?—A. The material was priced on May 3.

Q. Just a few days ago?—A. Yes.

Q. It was not priced before May 3?—A. No, sir, those are the present prices.

Q. This figure of $116.58 was not arrived at until May 3?—A. No, sir.

Q. You are quite sure about that?—A. Yes.

Q. How does this material cost compare with last year?—A. I have not the figures with me, Mr. Chairman. I cannot say.

Q. How long have you been charged with this part of the work for your company?—A. Some ten years, Mr. Chairman.

Q. Will you tell us whether the material was higher or lower last year?—A. It was lower last year.

Q. Can you give us within a couple of dollars, what the amount was last year?—A. I do not think I can, Mr. Chairman.

Q. What were you selling your binder for last year?—A. I have no knowledge of selling prices, Mr. Chairman.

Q. Let us turn to the labour. What does the labour cost for this binder?—A. The wages as shown by last season, Mr. Chairman, $44.24.

Q. That is based on the cost of labour last year?—A. Yes.

Q. Labour on last year's basis would be—.—A. $44.24.

Q. Is there anything else to add besides labour?—A. There would be the factory expenses.

Q. I suppose you have last year's basis of factory expenses?—A. Yes, just up to a certain point.

Q. Up to what point?—A. This does not include the expense of the Purchasing Department, the purchasing and following up of orders.

Q. We will put it as factory expenses. We will leave room for other expenses. Factory expense on last year's basis is what?—A. $33.21.

Q. Of what items is factory expense composed?—A. Here is a list of our expense accounts.

Q. You might just give it to us.—A. There is the Medical Department.

Q. Have you got that worked out on a unit basis?—A. No, sir.

Q. The Medical Department. That is looking after the men if they get hurt, or anything of that sort?—A. Yes.

Q. What does that represent in your total factory expense? What percentage?—A. I could not tell you that.

Q. What was it last year?—A. I can only give you the total expense, which I have given you. I can only give you the total.

Q. Let us take the different items of expense. There is the Medical Department?—A. Yes.

Q. What else?—A. Compensation premiums.

By Mr. Elliott:

Q. Workmen's compensation?—A. Yes, workmen's compensation premiums.

By the Chairman:

Q. Yes.—A. There is the Mechanical Department.

Q. What does that mean?—A. That is the Master Mechanics Department.

By Mr. Elliott:

Q. Designers?

By the Chairman:

Q. What expense in making the machine does it cover? Is it superintendents' salaries, or what is it?—A. It is the master mechanic's salary, and his department. All the expenses connected with his department.

Q. The master mechanic's salary and his aids?—A. Yes, and the up-keep of his department, and his material.

Q. I thought we had the material before? —A. There are expense items.

Q. Take all the time you like. I do not want to hurry you. You say his materials. Is that the stationery he uses in his department, or what?—A. Yes.

Q. Any other materials except stationery in his department?—A. There would be tracing paper and drawing implements.

Q. What else? We have the Medical Department, the Compensation Department, the Master Mechanic's Department?—A. There is the Laboratory Department.

Q. That is experimentation?—A. That is testing out materials of all kinds.

Q. Testing?—A. Yes. We have a Fire Department, a Fire Prevention Department.

Q. Persons who place the insurance, is that it?—A. No, sir. We have a Fire Department right on the premises. We have a big plant, and we keep a staff of firemen on day and night.

Q. I suppose you save something by having that. You save something in your insurance premiums?—A. Exactly so. Belting, files, emery wheels, grindstones, steam coal.

Q. That steam coal would be quite an item, would it not?—A. Yes, it is a big amount.

Q. Do you make your own motive power, or do you get it from the hydro? —A. We use electricity for power. This is for heating and one or two auxiliary engines.

Q. Heating and auxiliary engines?—A. Yes. Tempering oil, fuel oil, lubricating oil, tool steel, dies, jigs, forms, templates, patterns. Then we have the repairs to the machinery and plant. Water, gas, electric light, electric power.

Q. Electric power would be a big item, would it not?—A. Yes, that is a big item. Spoiled parts, spoiled and damaged parts, experimental department, pattern making department.

Q. We had patterns before?—A. These are the patterns themselves.

Q. Pattern making department?—A. Yes. Then we have the wages of the superintendents, foremen, wages of the Inspection Department, wages of the Production Department.

Q. What is the Production Department? That is a supervising department, is it?—A. They schedule the stuff through the factory and chase up the different departments. They follow the work through.

Q. To see that the work is kept up to the proper speed?—A. Up to schedule, yes.

Q. Anything else in factory expenses?—A. There are a lot of other little items, such as sand paper, and a lot of trifling items. They are grouped in one account, called factory expense items. It bulks pretty large.

Q. You say you have not got the figures for those details, although the aggregate amounts to $33.21?—A. Yes.

Q. Is there anything else?—A. That is as far as I can give you. Of course there are other expense items of which I have no knowledge at all, that must be added to these.

Q. That is to say, for selling expense?—A. Yes, Head Office expense, and that sort of thing. The management could tell you more about that.

Q. That is as far as you can go with us. You have displayed to us, as far as you can go, the different constituents which enter into the cost of making a binder at the present time?—A. Yes.

Q. These are present date prices you have given us?—A. I have given you present day material prices, and I have given you wages based on the 1922 prices, and I have given you the expense based on 1922 prices.

Q. As far as you can see, are you going to have to pay more for your labour this year than last year?—A. That is impossible to determine.

Q. Are you paying more now than you did six months ago, for labour?—A. Wages have not gone up.

Q. As far as you know, has there been any change in your factory expense between this year's operations and last year's operations?—A. Not as far as I can see.

Q. So that it is fair enough, in our endeavour to establish the cost of a machine at the present time, to take present day material prices and expense for labour on last year's factory prices?—A. Yes, I think so.

Q. Mr. Bradshaw was asked when he was here this question:

> "Q. During normal times, Mr. Bradshaw, could you determine the actual cost of a binder; that is to say, in 1913?—A. Yes.
>
> Q. I think that is a fair proposal, to get the cost, say, from 1913 onwards."

Q. Have you those figures with you?—A. I have not got those, Mr. Chairman. I made it quite clear, did I not, that these expenses were not the full expenses?

Q. You made it quite clear that these are the factory costs.—A. Up to a certain point.

Q. That is, the overhead which you charge for the head office work?—A. The purchasing department, and so on.

Q. And the selling department?—A. No, sir.

Q. Not the selling?—A. No, sir.

Q. You do not have those?—A. No.

Q. You are a factory cost accountant?—A. Yes, sir.

By Mr. Gardiner:

Q. Do these amounts include the putting of the machines together, as far as they go together?—A. This is the estimated cost, ready to be put on the car, as far as I have it.

Q. How was your factory run last year, full blast, half time, quarter time, or how?—A. No, sir, it was considerably less than one-third.

Q. Can you remember the last year you ran full time, or almost full time?—A. I think the season previous to that was a fairly full year.

By Mr. Hammell:

Q. Would that be 1921?—A. Yes, sir.

By the Chairman:

Q. You ran practically full blast in 1921?—A. Fairly so.

Q. Do you remember what your factory expense was that year?—A. No, sir. I am sorry I cannot carry all those figures in my head.

Q. Can you tell me how it would compare with the figure for this year?—A. I would say it would be lower, on account of the mass production, the bigger production.

Q. Could you give us an idea what the difference would be?—A. No, sir. I would not attempt to make any statement that I could not substantiate.

Q. I am not asking you to substantiate the statement, I am asking you as a gentleman who has been there for ten years to give us some idea of the relative difference between factory expense when running a little under one-third, and when running full blast. It seems to me that you should have a pretty shrewd idea of what the difference would be.—A. I am afraid I have not. All I can say is that I think it would be lower than the figure we ascertained for last season.

Q. You could not tell whether it would be one-half as much or two-thirds as much?—A. No, sir, I am afraid I could not.

The CHAIRMAN: Are there any other questions anybody would like to ask?

Mr. SALES: I think not, Mr. Chairman.

The CHAIRMAN: We are very much obliged to you, Mr. Short, for your clear statement and your patience in building up this machine with us.

WITNESS: That is only one machine, sir.

By Mr. Sales:

Q. Would it take you very long to tell us how much a wagon would cost? —A. It does not bulk as much as a binder.

Q. Suppose you sit down and figure it out for us.—A. I have not got that information with me. We do not make wagons in Toronto, Mr. Sales.

Q. What do you make in Toronto besides these binders; do you make mowers?—A. No, sir. The mowers are made in Brantford. We make drills, cultivators, cutting boxes, hay loaders, hay tedders, hay rakes.

Q. Have you the cost of any of those, the drill for instance?—A. No, sir.

By Mr. Gardiner:

Q. Have you any figures for any of the other machines you make in Toronto at all?—A. No, sir.

Witness retired.

THOMAS BRADSHAW, recalled.

By the Chairman:

Q. Mr. Bradshaw, I would like to continue with you to its completion the cost of these binders. Mr. Short has taken us down to the factory expense, but he has been unable to give us the purchasing expense, head office expense and selling expense.—A. I will be glad to give you those, Mr. Chairman. But may I make one statement before I do that?

Q. Certainly.—A. At the previous meeting I attended, you requested me to submit to you the estimated cost of a binder, which has been gone over part by part by Mr. Short. It was pointed out that any such estimate, in the light of present day cost of material, would be meaningless and misleading. In such a business as the making of agricultural machinery it is impossible, as Mr. Short has pointed out, to determine from month to month the actual cost of the product, because of the many different machines and attachments which are built. They vary in size, also in design, and because many of them go through the factory at one and the same time, it is only after the full year's operations have been completed and an analysis made of manufacturing, administration, distribution and branch operations that it is possible to determine accurately the cost of the product. It is not a difficult matter to estimate from time to time the amount for which a machine can be produced, as Mr. Short has done

to-day. That is a simple matter, provided you have first of all given certain rigid conditions. But where production is abnormal, as it was last year, and when factory operations were less than one-third of normal, and where material prices are fluctuating, where sales are small and undetermined, then an estimate of cost is of very little value as a guide. It was for this reason that I endeavoured to point out to you how futile any figures of estimated cost would be. I have however with me our 1922 cost of a binder, and I shall be glad to give you the figures which appertain to it.

Q. I think we realize a great deal of what you said, Mr. Bradshaw, because I note that on page 1281 of our proceedings I asked this question:

> "Q. We have to realize that we are living in abnormal times and that these costs do not reflect ordinary costs, but I cannot for the life of me bring my mind to the idea that you do not know to within a few cents what each of the binders and other agricultural implements you turn out from your factory cost you.—A. Well—
>
> Q. Am I wrong?—A. I think you are wrong, if I may say so."

So I think I gave full credit to the fact that we are living in abnormal times. While you are here, we will ask you to put figures before us, which I think will be of great assistance to us, and which will do away with any chance of an unfair impression which any mistake might make?—A. I appreciate what you have said just now, Mr. Chairman, because it is a very unusual thing, if I may say so, for a concern such as ours to be asked to come here and give this information, which is private, as far as our competitors are concerned. What we are giving to you is information that has never been disclosed and which may be injurious, due to the fact that it would or will find its way to our competitors.

Q. I am sorry for that, but I think a fair and frank disclosure of your costs will not injure you but will enormously help you with all your customers, from the Atlantic to the Pacific. I will say this—I do not think there are any newspaper reporters present—that before the evidence is handed out for printing by the King's Printer, we will discuss the matter with you in camera, and if you can explain to us that you are going to be in any way hurt or injured by the publication in the ordinary fashion of this information, we will see that you are not injured.

Some MEMBERS: Hear, hear.

WITNESS: I appreciate that very much. Take last year, 1922, our materials cost me—I will go over the items which Mr. Short has gone over.

By the Chairman:

Q. You do not have to go over them in detail.—A. No, sir. I am just giving you the main things he has given you. The materials last year cost us $86.21.

Q. That is, as against $116?—A. As against $116.50 to-day.

By Mr. Hammell:

Q. That is 1922?—A. That is 1922. Our wages last year cost $56.77 as against $44.24, which I think is what Mr. Short gave you.

By the Chairman:

Q. Will you explain how that comes about?—A. That is due to the small production we had last year, to which I referred. Mr. Short has indicated to you the thought that as this year's production will be greater than last year's, we are hoping that our wages this year will be lower. But last year they were $56.77.

Q. You mean, lower per unit?—A. Yes.

Q. You do not want to give the impression that you are paying lower wages? —A. No, sir, the same wages.

Q. What were the figures for last year?—A. $56.77. Our factory expense last year amounted to $26·56 as against $33·21 which he has given you this year. I think Mr. Short overlooked this, in connection with these factory expense items, that most of them have increased in the same way as materials have; for instance, oil and coal are higher than they were last year, and I think that accounts for the difference there.

Q. You think your factory expenses will go up?—A. We think so, this year.

Q. Will you give us a number of the items of that factory expense?—A. Well, coal is a very important one.

Q. And your power cost?—A. Yes.

Q. Coal is higher?—A. Coal is almost 100 per cent higher.

Q. Than last year? —A. Yes, sir. We have to buy our coal a long way in advance. We contracted for the coal we are using now at the very highest peak price. We have to keep a tremendous stock on hand.

Q. We can understand that.—A. You have those three items. Shall I proceed with the others?

Q. I wish you would.—A. The next is what we call——

Q. Is this continuing last year?—A. Yes. There is what we call Administration, which includes taxes, depreciation, insurance, manufacturing expense, for example the expense of the purchasing department, the expense of the manager of our manufacturing is in that, and his staff. Then there is what we call commercial expense, all kinds of administration expenses connected with the head office. There would be in that, in addition to what I have already mentioned, all kinds of things, such as stationery, the salaries of the officers, the salaries of the sales department and the running of the sales department.

Q. Commissions paid to agents?—A. No, sir. This is only head office. I think it might be well to keep in mind that the business is manufacturing, and then comes what you might call the wholesaling of it, then there is the retailing of it as well. Under administration we include taxes, depreciation, insurance, manufacturing expense, expense of the purchasing department, the expense of the manager of our manufacturing and of his staff, as well as commercial expense. We put all that at $38·65.

By Mr. Hammell:

Q. How much?—A. $38·65.

By the Chairman:

Q. Roughly how is that divided?—A. I have not got the details, but I have given you the headings.

Q. Taxes would be one heading?—A. Taxes would be one heading.

Q. Does that mean municipal taxes?—A. Not merely municipal taxes, but all kinds of taxes. Unfortunately we had no income tax to pay last year or the year before.

Q. Income taxes?—A. Yes. Our municipal taxes are very heavy. Our manufacturing plant is situated right in the heart of the city of Toronto. We occupy about 34 acres of land right in the city of Toronto, and if anyone knows what land is assessed at in the city of Toronto, he will realize that our taxes are a very important item.

The next item after that is, freight to the consumer.

Q. Is that a head office charge?—A. I am trying, sir, to give you the cost of a binder laid down at the customer's door.

Q. That is what we want.—A. That was what we discussed when I was here before. That is $34·69.

By Mr. Sales:

Q. That is based upon what point?—A. That is based upon a delivery point out of Regina.

Q. Is that by the carload?—A. That is by the carload to Regina, and local freight from Regina.

Q. Is that fair, Mr. Bradshaw? Do you not usually ship a carload of binders to your agents?—A. We do in some places, in others we do not.

Q. Do you in the majority of them?—A. I would think not. I may be mistaken in that, but I think I am not.

Q. How many binders are there in a carload?—A. I think there are twelve or thirteen.

Q. It is a small agency that does not sell more than that number in a year? —A. They do not get them all at the same time.

Q. Give us the straight rate to Regina?—A. I am giving the actual figures in carloads to agents or otherwise; these are the actual figures of the freight.

By the Chairman:

Q. Actually what it costs you to put a binder in Regina?—A. No, to the customer outside of Regina. We pay the freight and whatever is concerned in it to the customer's place, his nearest station.

By Mr. Sales:

Q. You are assuming a local freight which does not always exist?—A. I want to be clear about this, that whether it is local freight or carload freight, it makes no difference, because this is the actual figure which was paid.

By the Chairman:

Q. If you have anybody here who is familiar with that, you might let him speak of it?—A. No, sir. I am quite able to take care of myself.

By Mr. Sales:

Q. Take Langham, where I used to live, about 25 miles from Saskatoon, a carload of binders going there will not cost as much straight from your factory. If they go to Saskatoon, they are unloaded there, and then shipped by local freight to Langham?—A. I quite admit that. But that is not the point at issue, if I may say so. The point is, what does it cost on the average to deliver a binder in the Regina territory. I cannot make it any plainer than that.

Mr. HAMMELL: What can you ask fairer than that, Mr. Sales?

By Mr. Gardiner:

Q. That is a fair proposition. This is your actual average to that point? —A. Yes, sir, it is.

By the Chairman:

Q. $24.69?—A. Yes. Then there comes our distribution cost, which includes the selling commission to the agent. By the way, you might want to know what that would be. I have no hesitation in saying what it is. I think it is in the neighbourhood of $24 or $25 a binder.

By Mr. Sales:

Q. Based upon a straight percentage?—A. No. It is so much a binder. The $24 or $25 depends upon some attachments. There is also the sales tax, which we pay, and which on a binder amounts to $11.25, or 4½ per cent on the price of the binder.

By the Chairman:

Q. The whole of those costs amount to how much?—A. Those costs include the items I have mentioned. They also include servicing and certain free repairs. They include also the collection commission, and the expenses of collection, and losses. They all come under what we term Distribution.

Q. It is really more distribution than collection costs?—A. That is our grouping may not be as others would have it, but it is what we have adopted. That comes to $33.15. In addition to that we have our branch depot expenses. We have eleven of those branches throughout Canada. We have very large warehouses, extending from Moncton west to Westmount, Montreal, Toronto, Winnipeg, Brandon, Regina, Swift Current, Calgary, Edmonton, Saskatoon and Yorkton. We have large and extensive warehouses which are essential for the storing of goods and for the storing of spare parts, so that our agents may be supplied from time to time, and so that our customers may be supplied from time to time. There is the upkeep of those branch depots, which includes salaries of warehousemen and those in the office; it covers travelling expenses, it covers taxes on the warehouses, insurance, stationery, advertising and cartage. All that came to $47.30 last year.

Q. Tell me how you apportion these costs between your binders, ploughs, drills, and all these things?—A. We indicate a certain unit for each one.

Q. I did not catch that?—A. We fix a certain unit for each one. We fix a unit for a binder, a drill, a mower, and then apportion the expense on that unit. It is a hypothetical unit, but it is a fair unit so far as manufacturing costs are concerned. It is based pretty much upon the production cost of the machine. The total expense is distributed upon that basis upon all the machinery that went through that depot. The total of that you will notice is $365.34. Contrast that of course naturally with the selling price of a machine.

Q. What was it last year?—A. The one October selling price of that machine was $285 at Regina. We lost on each of these machines about $70. These figures may seem to you astounding, and you may think that they are impossible. We of course could not continue in business if we were to experience those figures all the time. I mention to you that we were running last year at about one-third our capacity, with all of these expenses going just as full as though we were running at full capacity. For example, our rents, our taxes, our insurance, our salaries, our administration costs, our warehouses, and all that sort of thing went on just about the same, as in normal times and it was on account of very limited production and limited sales that that unfortunate result was brought about.

Q. You told us that your loss last year was $500,000?—A. Yes. You want naturally a comparison with previous years. I do this on the understanding of what you said a few minutes ago.

By Mr. Sales:

Q. Before you leave that, would you explain the $63.15 which you mentioned as the costs of collection; would you explain that a little more for us, because I would like to know what this system of buying on time actually costs the farmer.—A. I will be glad to do that, Mr. Sales. Perhaps the best illustration of the method of payment for implements may be given in the case of a binder in the Regina territory, and that is the one I will refer to now. The purchaser has the option of paying for the same in any one of the following ways; he can pay for it in cash, $280 at the time of delivery, say in the month of June or July, or $288 on the 1st of October following the date of purchase and delivery, that is, after he has used the binder.

Q. No interest?—A. No interest. Or he will be charged $296 if he desired to make payment in two instalments, the first instalment on the 1st of October

following the purchase and delivery, and the second one a year later. The difference between the cash payment of $280, the two instalment payment of $296 amounting to $16 is presumed to cover in part this, first the cost of collection of each of the two instalments, second the proportionate share of the loss involved in granting or extending credit. As a matter of actual experience it has been found that the spread falls substantially short of covering these charges. The instalments themselves carry interest which in part meets the interest for deferred payment and part helps to meet the balance of the cost of collection and losses incurred; but it is stated that the difference between the cash and the deferred payments is not, even with the interest, adequate to cover a reasonable interest charge of say seven per cent, the cost of collection and the losses incurred by giving an extended time for payment, and as the Chairman said at the last meeting:—

> "It would be vastly more profitable and satisfactory if all transactions could be carried out on a strictly cash basis."

By Mr. Sales:

Q. If they were would you be able to sell for less than this $280 for instance?—A. Not much less than $280, although we might if better conditions in regard to collections were in existence in Western Canada; the cost of collecting in the West, as we all know, is very heavy, on account of the conditions which the West is experiencing at the present time.

By the Chairman:

Q. Have you ever calculated what the cost of collection is on a binder say last year?—A. Yes, we have.

Q. Can you give us that?—A. I think I have that figure here, Mr. Chairman. Our collection expenses last year represented 8.6 per cent.

Q. Eight per cent of your total receipts?—A. Of our total receipts.

Q. It cost you 8 per cent to collect?—A. Yes, sir.

Q. Are you familiar with other businesses?—A. Yes.

Q. How does that compare with the cost in other business?—A. In the automobile business, which is a practically cash business, of course it would be outrageous. If our business were on a cash basis our collection expenses would be reduced to a minimum, but ever since implements have been sold in this country, they have been sold on extended time, and it is one of the features of the business which, personally, I think should be changed as rapidly as possible, and which we would welcome.

Q. As a matter of fact, if the farmers of this country could or would buy for cash, you would be able to reduce the cost of machinery by something like seven per cent?—A. I would think so, approximately.

Q. Give us your ideas on that?—A. I think we could reduce the price of machinery very nearly by that percentage. Just to give an illustration of the conditions even in Eastern Canada, our collection percentage is nearly 20 per cent lower than it was three years ago.

Q. Will you repeat that please?—A. In Eastern Canada even, the collection of farmer's notes is very much worse than it was three, four or five years ago. And whenever a note is overdue, as you know, then of course the expenses begin to pile up. I do not mean to say the expense of proceedings, because these are no legal expenses. They are our own expenses; they are the expenses of our staff, the expenses of the bank in collecting, and there are the expenses of men sometimes sent out to collect.

Mr. SALES: I am surprised that it is as low as that, Mr. Bradshaw. If you had said 25 per cent I would not have been shocked.

The CHAIRMAN: Well, Mr. Sales, I am deeply shocked at eight per cent; it seems to me a tremendous burden on the industry, and these burdens on the industry must inevitably be shifted to the consumer. I think it is a terrible burden for the consumer to pay eight per cent for the collecting of a debt.

Mr. SALES: I am relieved to find it is no more.

The WITNESS: There is this to be said, Mr. Chairman; the one who pays cash does not bear the burden. The man who pays cash for his implement, in this case gets it for $280. In the other case he pays $296, and interest as well.

By the Chairman:

Q. That is not eight per cent difference though.—A. No, not quite.

Q. What is the difference?—A. It is less than $7\frac{1}{2}$, $6\frac{1}{2}$ probably.

By Mr. Sales:

Q. You have an item here, Mr. Bradshaw, of $63.15 that I would like an explanation of, because I understood you to mention collection in connection with that.—A. Well, I mentioned in that connection that there is $11.25 for the Sales Tax, and there is $24 for the agent's commission. Then take your collection expense that I have mentioned and then there are free repairs and some other things.

By Mr. Milne:

Q. These notes for a year, does the local agent get any commission on notes that are collected by him? When you sell a machine on two payments, one this fall and another next fall, does the agent get any commission on collecting those notes?—A. We keep back part of the commission until the final note is paid. He does not get an extra commission. We keep back a certain percentage of his original commission of $24 until that note is paid, as an incentive to the agent to try to help to collect that note. He does not get anything additional.

Q. He gets just the $24?—A. Yes.

By the Chairman:

Q. The $24 paid to the agent represents the reward of the agent for selling the machine and for collecting the price?—A. Yes, or for assisting in collecting. Sometimes he is not as effective as he should be, but that is the case.

By Mr. Gardiner:

Q. When you send your collector out into the country, Mr. Bradshaw, is it your custom to expect the local agent to drive your collector out?—A. It is.

Q. Does he receive any reward for that driving?—A. No, he is supposed to give that service free, but you know it is difficult to always get the local agent to do what you expect him to do and what he should do.

Mr. SALES: I have seen them hire a team and drive 16 miles and not collect a dollar. That is why I am surprised at it being so low.

By the Chairman:

Q. The agent is human like everyone else. Now Mr. Bradshaw if you will give us some comparisons with what you might call normal years.—A. Tell me which year you would like.

Q. What is the last normal year?—A. At our last meeting we started about 1913. Would you like to take 1913?

Q. I think that would be right.—A. Our material costs in 1913 were $45.55. Our wages were $25.10. Our factory expenses $5.51.

Q. Did you take the same things under the heading of factory and other expenses?—A. Yes, these are built up on identically the same basis.

Q. So there is an increase of 500 per cent?—A. Yes.

Q. $5.51 as against $26.56.

By Mr. Sales:

Q. And $33.21 this year.—A. Well, you see, in 1913 Mr. Chairman, the factory was running at its fullest capacity. Last year it was running at only one third of its capacity and all of these items are tremendously affected by mass production. That is one of the things that the United States to-day is the leader in.

By the Chairman:

Q. Just by reason of mass production?—A. Yes, sir.

Q. And the reason for that is that they have such a tremendous area around them within which trade flows freely, without let or hindrance?—A. Yes, they have their own country, 110 millions of population and a tremendous farming community. Take the automobile industry; the reason that they are able to make automobiles as cheaply as they do in the States is simply because of the home consumption. Their export as compared with the home consumption is small. It is that tremendous volume of home trade that helps to make the home trade cost low. Now in administration you will see some very startling figures here. Administration is only $5.10 in 1913.

Q. Does the general manager's salary come into administration?—A. Yes.

Q. Did they have the same general manager then?—A. No. Unfortunately, Sir Lyman is not here. Sir Lyman Jones was general manager then. And Mr. Thomas Findley was assistant general manager. They have both passed away. This may be a reflection, these high costs, on the present general manager.

Q. What did you say that was?—A. $5.10.

Q. That is really startling. What is that due to? Salaries have not gone up five times since 1913?—A. No, but look at the product. In 1913 we had a tremendous product. We furnished to Russia in 1913 I think about 10 or 12 thousand reapers, and when you can get a run like that it brings down the cost tremendously.

By the Chairman:

Q. When you finish this we will ask you the number you produced in 1922 as compared with the number produced in 1913?—A. I am sorry I have not got those figures here, Mr. Chairman, but I may be able to give you some information. Take the freight, that is the next item. That has not changed a great deal. It is $23.91.

Q. The administration was $38.65 as against $5.10 in 1913. Then the credit to the customer was $23.91 in that year.

By Mr. Gardiner:

Q. Is that to the same area as the previous one?—A. Yes.

By the Chairman:

Q. What is the item of $34.69?—A. That was freight in 1922. Will I go over those figures for 1922 again for you?

Q. No, just make the comparison?—A. 1922, materials, $86.21 as against $45.55.

Wages $56.77 as against $25.10.
Factory expenses $26.56 as against $5.51.
Administration, $38.65 as against $5.10.
Freight, $34.69 as against $23.91.
Distribution costs, $63.15 as against $29.41.
Branch depots, $47.31 as against $29.41.
A total of $163.99 as against $353.34.

In that year we sold our binder for $170. and the difference was the profit we made on it.

By Mr. Sales:

Q. That is the cash price, $170?—A. Yes.
Q. And the time price?—A. $185. About $15 difference.

By the Chairman:

Q. Would you call that year a normal year or a particularly good year? —A. You see the war came on in 1914, and it was a normal year, if we exclude the war. We have never had really a normal year since then.

By Mr. Hammell:

Q. It was a normal year up to that time?—A. Yes. The war has disturbed agricultural machine manufacturing I think equally as much as it has affected almost any other manufacturers' business.

By the Chairman:

Q. How long ago was it that you used to sell a binder for about $125 or $130?—A. I think I can tell you that. It is a good many years ago. Those are the good old days.

By Mr. Hammell:

Q. The good old days?—A. Yes. In 1899 we used to sell for $140. But it is not the same binder and we should not compare them.

By the Chairman:

Q. Can you give us any idea of what your total output of binders was in 1913 as compared with last year? You have not the exact figures I know but have you any idea?—A. I would hazard a guess. I think in 1913 our output would be between 20 and 23 thousand of binders, and I think last year our output was about 7 thousand.

Q. Just about one-third?—A. Yes. Then there are one or two matters, Mr. Chairman, which I would not like left just as they were left at our last meeting, if I may refer to them?

Q. Certainly?—A. If I may just refer to them as they come to me. The first is a small matter. Mr. Gardiner referred to the question of a cultivator, and he said that three years ago he bought a cultivator and paid $75 cash and that the time price was only $1.25 more, and he asked what incentive is there to pay cash under these conditions, when the cash and time price are so close together. When I got back to the office I looked up the cash price in 1917 for an eight-foot cultivator, and I found it was $74, and the spread between such price and the one October payment was $3, making the October price $77. Not a difference of $1.25. The incentive to pay cash in this case is represented by a discount allowance at the rate of over nine per cent per annum, saving an appreciable amount. I do not know whether you are quite definite about your figures, Mr. Gardiner, but in looking up our price list, the figures in that price

list are what I have just given now, and that would be the incentive for one to pay cash. I cannot find out the exact facts in your own particular case, but that is the practice.

Mr. HAMMELL: What make was the cultivator you bought, Mr. Gardiner?

Mr. GARDINER: Massey-Harris. In 1917 the agent perhaps charged me a dollar more for the cash price than he ought to have done. Perhaps I have a dollar coming to me.

The WITNESS: I cannot say anything about that, sir. But I want to give you the facts as I find them. Now Mr. Sales spoke at the last meeting about interest on notes. I would like to clear that up. He desired to have information in reference to the rates of interest charged by the company on amounts owing to it. The rates vary in Western Canada from eight to nine per cent. Eight per cent in Alberta and Manitoba and nine per cent in Saskatchewan. It is assumed that the company is entitled to seven per cent on all money due to it and payment of which is deferred. I think that will be admitted to be a fair rate of interest to which the company is entitled. The difference between the seven per cent and the eight or nine per cent only partially covers the cost of collecting current paper, as I have already explained. After maturity, though, ten per cent is charged on overdue amounts in Manitoba and Alberta, and nine per cent in Saskatchewan. This leaves, over and above the seven per cent to which the company as I said before is fairly entitled for the deferred payment, only from two to three per cent, which, as is well known, is not adequate for the extra cost involved in collecting overdue paper.

By Mr. Sales:

Q. But you will remember, Mr. Bradshaw, that Mr. Chisholm, sitting at your left, said it was fixed by legislation?—A. Yes.

Q. What is your interpretation of that?—A. We charge what the legislature permits us to charge.

Q. They do not permit you to charge any more than nine.—A. For paper before it is due, and that is all we charge.

Q. We used to get it at eight before that.—A. Mr. Hossack tells me that the Saskatchewan law will only permit us to charge the same rate of interest for overdue paper as for paper that is current.

Q. Yes, that is paid by the man who meets his obligations.—A. The nine per cent, yes. That I think is fair. What are you paying on mortgages at the present time in Saskatchewan? You are paying eight per cent on a mortgage which is a security on the land; and do you mean to say that taking paper for an implement which is immediately deteriorated by the use of it, the first day, and running the risk in connection with that, that it is unfair to charge nine per cent?

Q. I cannot see why you should charge the Saskatchewan farmer any more than the Alberta farmer for his first payment.

By Mr. Gardiner:

Q. In this case, Mr. Bradshaw, you are only allowed to charge nine per cent, when the note is overdue, consequently you charge one per cent more. That is, the rate of interest you can charge on an overdue machine account is nine per cent in Saskatchewan?—A. Yes.

Q. But owing to the fact that you cannot charge more than that when it is overdue, you charge nine per cent up to the due date?—A. Yes.

Q. But in Manitoba and Alberta where there is no such legislation you charge eight per cent up to the due date?—A. Yes.

[Mr. Thomas Bradshaw.]

Q. And ten per cent when it is overdue?—A. Yes, because we think nine per cent is an unfair rate.

Mr. SALES: The point I want to make clear once and for all is this: the Government of Saskatchewan does not compel you to charge nine per cent.

Mr. HAMMELL: They do not compel him to charge anything at all.

Mr. SALES: That is all right, but the machine company's agent—as I have stated over and over again—has stated to his customers that this rate of interest is set by the Provincial Government and he cannot do anything different; but that is not so, because the note is blank where the interest is to be filled up.

The WITNESS: That is quite true. I admit that we charge as much as the law will permit us.

Mr. SALES: All I want is to get over to my Saskatchewan farmers the fact that the Provincial Government did not fix the interest rate at nine per cent; it fixes a maximum of nine per cent.

The WITNESS: Yes, that is quite true.

By the Chairman:

Q. Is the situation this: there is no limit of nine per cent in the provinces of Manitoba and Alberta, therefore you charge eight per cent up to maturity and ten per cent after maturity?—A. Yes.

Q. But as the Legislature of Saskatchewan has imposed a maximum of nine per cent for interest, you charge nine per cent up to the maturity and nine per cent after maturity.—A. That is exactly the case, Mr. Chairman.

Q. Well, do you know what this heaping up of interest reminds me of, Mr. Bradshaw? "The destruction of the poor is their poverty." It may be good business and it may be proper, but it is an unfortunate fact that the people who fall behind are the people upon whom the additional load is placed.—A. That is the case, Mr. Chairman, and it is very regrettable, and I appreciate that. But is it not the fact the world over? Take for example our own case; back in 1913, at the end of the year we used to clean up our business, after we got our collections in, and pay off our overdraft at the bank and sometimes we had a credit balance; of course in our manufacturing season our credit was extended, but when we got our collections in, in the fall of the year, our bank account was about even or else showed a credit balance; but since 1914, in view of the high cost of materials and the high cost of labour, it has taken almost twice as much to carry on and we have to pay heavy interest charges for a great number of years on heavy overdrafts, and that has borne down upon us. It is no excuse, I don't offer it as an excuse for the condition of the farmers in the West, but I say it strikes us all in the same way.

Q. The thing that strikes me—and I am not a business man and I may be quite wrong—is that the psychological effect on the man who was trying to pay but did not have the wherewithal to pay, and seeing that after his paper fell due the interest rate was augmented, might be to discourage him to such an extent that the loss through that psychological cause would more than offset the advantage of any additional rate of interest charged?—A. Of course, on overdue paper, you know in your own profession that the expenses involved in the collection of it are heavy; it is not the interest that is charged that covers the cost, but whenever it is overdue the expense to the one holding the paper begins to mount up.

By Mr. Caldwell:

Q. There is another feature, Mr. Chairman. What proportion of your debts will be overdue in Saskatchewan, more than fifty per cent of them?—A. I would think so, yes.

Q. That is year by year would that be so?—A. No. You are talking of the present time, are you not?

Q. No, we are talking about even further back than the present time.—A. What period? It varies.

Q. Say in the last five years.—A. At the present time it is worse than five years ago; much worse than five years ago.

Q. That is you have more overdue accounts?—A. Certainly. Five years ago the farmer of the West scarcely owed anyone anything, I think.

Mr. SALES: This Act was passed in 1914, Mr. Bradshaw.

By Mr. Caldwell:

Q. What I am getting at is this, that in Saskatchewan where the Government has set a maximum rate of interest, the interest paid by farmers on machinery in the aggregate, would be greater than it is in a province where you only charge eight per cent on notes until they are due, unless your overdue accounts are more than fifty per cent of your whole business. That might be true of this year, but I would judge that in previous years your overdues would not amount to more than fifty per cent of your business would it?—A. In a good year—

Q. There is another thing, you speak of overdue accounts, this note runs for a year, does it?—A. Something like that.

Q. Unless it is overdue for another year it would not be a fair comparison; it might be only overdue a month or two months, so that in the aggregate your interest collections, the interest payments for the farmers on the machinery notes would be greater in Saskatchewan than in either of the other provinces? A. I could not answer that question.

Q. You would think that would be possible?—A. I would not like to say yes or no because I have not looked into it.

By the Chairman:

Q. Did you come prepared to show costs from 1913 on?—A. Yes.

Q. Do you see any objection to giving those?—A. In the same way you have asked before I will be glad to give them to you; would you like to take those now?

Q. I think we will take them now?—A. Do you desire them in detail?

Q. No?—A. In the amount. In 1914 the cost was $171.33.

Q. Compare the price?—A. The price then was $170. In 1915, the costs were $160.74, and the price of the binder was $170.

Q. What accounted for the diminution of costs?—A. This was really a phenomenal year in production and sales. You remember that the Government suggested that the farmers should go in for great production, and the result was there was a larger sale of implements that year, in fact our sales increased that year 21 per cent.

Q. And it is due rather to increase of production and diminution of expenses?—A. Well, you see the more sales there are the less relatively the cost would be for the various departments of the company; for xample our depots, their expenses decreased 41 per cent that year. In 1916 the cost was $165.79, and the price of the binder that year was $174. In 1917, the next year, the cost was $195.89, and the price of the binder was $201. In 1918 the cost was $243.43; and our price was $257.

Q. We are beginning to go up in costs?—A. Yes. In 1919 the cost was $287.51, and the price was $267. In 1920 the cost was $300.48, and the price of the binder was $296. Then in 1921 when we made our very heavy loss, the cost of the binders then was $392.91, which was the peak, and the price

of the binder was $337. Then you come down to 1922 where the cost was $353.34, and the price was $285.

Q. Last year was about the greatest difference between the cost of production and the price?—A. Yes, a difference of $70 last year, and the year before was $60; but those are the two disastrous years in our business.

By Mr. Hammell:

Q. What is the present year going to be?—A. I think it is going to be better.

Q. I hope so?—A. I hope so too.

By Mr. Milne:

Q. Do you think this gives a fair representation of the other implements too?—A. No, I would hardly think it would be, because I think there is less margin in a binder than there is in any implement we make; it is the principal implement of the farmer.

By the Chairman:

Q. Of the wheat farmer?—A. Yes. I would like to bring that question up, because it was brought up by Mr. Milne and Mr. Gardiner last meeting, it was during the discussion at the session of the Committee that I think it was Mr. Milne or Mr. Gardiner who asked what proportion of the farmer's equipment was represented by the binder? I ventured the opinion that the binder would represent one-quarter of the value of his implements, but as there appeared to be some doubt I looked it up for myself, and I find this to be the case: in Ontario the farmer's equipment at to-day's prices, a seven-foot binder, six-foot mower, ten-foot rake, twelve-foot disc harrow, three-section drag harrow, thirteen-tooth cultivator, thirteen disc drill, a walking plough and a light gang plough, the total cost of those would be $799.50; while the price of the binder would be $258, which would represent about 32 per cent of his outfit. Then I have taken for Western Canada the implements that he would likely require there, and I have taken an eight-foot binder, five-foot mower, ten-foot rake, sixteen-foot disc harrow, three-section drag harrow, a twenty double disc drill, fourteen-inch high lift gang, the total of those is $965.75, of which the binder is $288, and therefore the binder represents about 30 per cent of the total cost of that outfit.

By Mr. Milne:

Q. You have not the cultivator in?—A. No, I have left it out, unfortunately. Another thing is I have not taken into account a tractor or a thresher. Those are exceptional with the ordinary farmer in the West, the small farmer.

Q. They are getting pretty common though?—A. I am afraid those are the things that run him into trouble, are they not? We do not build a thresher; we have built some tractors, but we are not building tractors now.

By Mr. Caldwell:

Q. What is the total cost?—A. The total cost in the West $965.75.

Mr. SALES: I have never been able to farm with such a small amount of machinery.

By Mr. Caldwell:

Q. Before we leave that, have you got the cost of an outfit for the mixed farmer in New Brunswick who is growing potatoes in addition to hay and grain?—A. No.

APPENDIX No. 3

By Mr. Milne:

Q. One binder will cut for two ploughs without any difficulty in the world? —A. Yes, that is quite true.

By Mr. Caldwell:

Q. I know in the East farmers will often have two mowers, and two rakes, and two ploughs and two harrows, two disc harrows, and only one binder; in addition to that he has a potato planter, which is a costly machine, the wheat cultivator and horse rake, sprayer, and digger, that costs $250 in addition, so that his binder would be very small in proportion?—A. There was another matter I was very anxious indeed to bring before you, because I think it is really important that it should be brought before you. The Hon. Mr. Hamilton, he is Minister for Agriculture for Saskatchewan—Mr. Caldwell referred to it and some other gentleman referred to it, and I would like to bring it before you to-day, because I think it is very important as indicating exactly the relative value of machinery and wheat. You remember Mr. Caldwell asked that there be furnished the prices in the same order that Mr. Hamilton gave them to this Committee when he was here. He gave the price of the binder in 1914 in dollars.

Q. And how much wheat it would take to pay for it?—A. Yes. Mr. Gardiner was also anxious to have the same information, and he said "The only point is the comparative amount of wheat which is required during these last few years to buy a binder in comparison with the previous years." Now, Hon. Mr. Hamilton gave figures in regard to the purchasing power of wheat when applied to the cost of an eight-foot binder such as we have been discussing. The prices of the binder given by Mr. Hamilton are not quite correct—the 1920 figure should be $296 (or $10 more) owing to the fact that this price prevailed during the main binder season. The following table sets forth the facts in this connection. The price of wheat you will notice is given from 1913 to 1922. These figures are the Saskatchewan figures as given by the Hon. Mr. Hamilton, varying from 64 cents a bushel in 1913, $1.48 in 1914; 91 cents in 1915; $1.28 in 1916; $1.95 in 1917; $1.99 in 1918; $2.32 in 1919; and $1.55 in 1920; 75 cents in 1921, and 85 cents in 1922.

Then in the next column there is given the proceeds of 266 bushels of wheat, which in 1913 bought a binder when wheat amounted to $170; then in 1914 it amounted to $393, and so on down the table; then in the next column there has been put the cost of binders for each of these years, commencing in 1913 at $170 down to 1917 when it was $201, 1918 $257, 1919 $267, 1920 $296, 1921 $337, and 1922 $285; and then in the next column, after selling 266 bushels purchased binder and received cash——

By the Chairman:

Q. That is after buying the binder with it?—A. Yes; he had in cash in 1914 $223; in 1915 $72; in 1916 $166; in 1917 $317; in 1918 $272; in 1919 $349; and in 1920 $116. In 1921 it took not only the 266 bushels but in addition $138, and in the succeeding year $59.

Q. That is where the shoe pinches?—A. Yes.

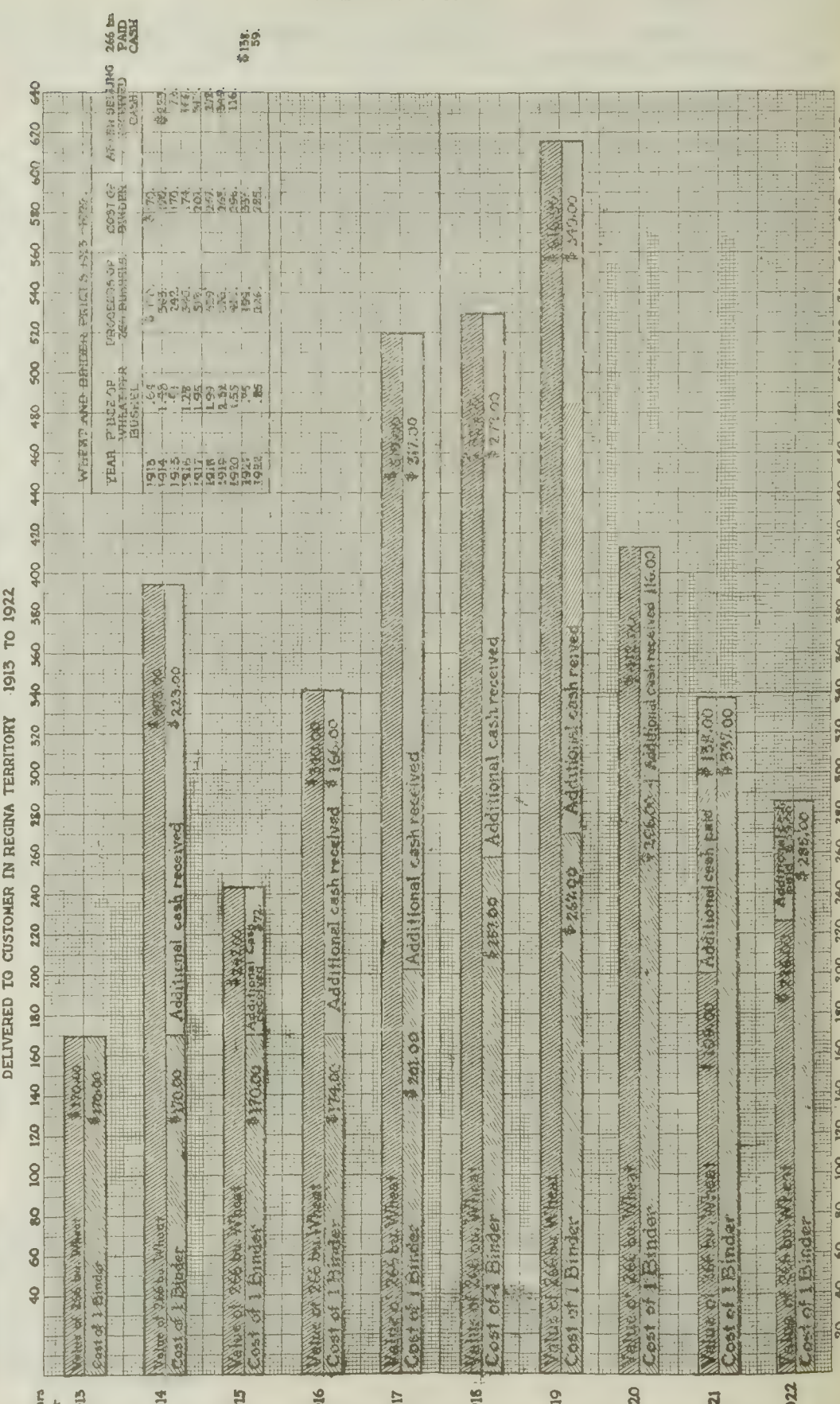
By Mr. Caldwell:

Q. While those figures are interesting, they are not in the order we asked for. Do you dispute Mr. Hamilton's figures that it took this number of bushels he gave in the different years to buy a binder, because there is this fact, it cost more to produce wheat in these years you are referring to?—A. So it cost more to produce a binder.

EXHIBIT No. 188

PURCHASING POWER OF 266 BUSHELS OF WHEAT (AVERAGE PRICE, SASKATCHEWAN) WHEN APPLIED TO COST OF BINDER (5 FOOT 4 HORSE, FORECARRIAGE, AND SHEAF CARRIER)

DELIVERED TO CUSTOMER IN REGINA TERRITORY 1913 TO 1922



Q. I think your comparison is not what we asked for. We asked for a comparison in the same manner Mr. Hamilton gave us, to know how many bushels it took to buy a binder each year; you are taking the number of bushels of wheat to purchase a binder in 1913 when the cost of wheat was very low?—A. It was 64 cents a bushel.

Q. But the cost of producing it was very low?—A. Yes.

Q. It was very high in 1918, 1919 and 1920, so that we would like a comparison just as Mr. Hamilton gave; do you agree with Mr. Hamilton's figures?—A. I have not checked the figures in that way.

Q. You agree the price of wheat was as he stated each year?—A. Yes, sir.

Q. His figures are correct, there is nothing wrong in his figures, because it is only a matter of mathematics to figure out how much it takes to buy a binder at this given price, and I will submit your way of comparing them is not fair—we are not disputing wheat will bring this price in that year—while I am not a farmer, from your statement it would appear that the farmer is making a big net profit when possibly his wheat cost him more—.—A. I am not trying to make out the farmer made any big profit at all, neither do I expect you would say we had made a big profit.

Q. I think your statement would lead to that impression?—A. I tried not to leave that impression.

By the Chairman:

Q. I think, Mr. Caldwell, the witness has attempted here very clearly and very graphically to set before us what would be the position of the wheat grower who had wheat in his wagon and who wanted to buy with that wheat a binder; it takes the actual condition. They take the year 1913 as a basis, and there if a man has 266 bushels of wheat he could have gone and swapped that off for a binder with nothing to boot on either side.

Mr. CALDWELL: We are admitting that, but before this comparison is complete we would need to get the cost of growing wheat each year, before we would know what the farmer's actual position was after this transaction was over. We are not disputing this wheat would sell for this price and he would have that much money left; what we are trying to come at in this committee is what position is the farmer in? Why is he in that position? What will remedy it? We do not want any catch comparison at all either way; we want to be fair to everybody. I submit before Mr. Bradshaw's comparison is complete you would have to find the cost of growing the wheat each year; we would have to find what it cost to produce wheat each year.

The CHAIRMAN: The price of raising wheat might differ from farm to farm.

Mr. CALDWELL: The price of producing machinery might vary in different factories. I have no doubt the Massey-Harris Company are so efficient, in fact we know that they are, that they may be able to produce at a lower cost than some other factory.

Mr. SALES: Mr. Caldwell's point is quite correct; it appeals to me, because I know that that 64 cents a bushel in 1913 left the farmers in Saskatchewan at any rate, in almost the same position we are in now pretty nearly; 64 cents a bushel was a losing game then.

WITNESS: Does not that really make the case of the farmer better? It took so many more bushels of wheat in 1913 at 64 cents a bushel to buy a binder, and taking the year 1913 is the most favourable possible year you can have, because you have the maximum number of bushels of wheat.

By Hon. Mr. Sinclair:

Q. The most favourable year for comparison?—A. Yes, and that is what I have tried to do; the most favourable year for comparison from the farmer's standpoint.

Mr. CALDWELL: The way I am so sure of my point is I can remember a time when we made good money selling potatoes in New Brunswick for $1 a barrel, and to-day the men who are shipping say the farmer is not getting 50 per cent of the cost of growing potatoes in selling for a dollar a barrel.

WITNESS: Summarizing the results for the entire ten years we have, the price received by the farmer for 266 bushels of wheat when sold each year during the last ten years $3,645. Then the price of ten binders if purchased by the farmer, one bought each year during the last ten years at the prevailing prices, would amount to $2.327. Therefore the excess cash received by the farmer in addition to ten binders would be $1,318. Then taking the next table, summarizing that, we start with 230 bushels of wheat in 1913 as being the quantity required to purchase a drill. The price received by the farmer for 230 bushels of wheat sold each year during the last ten years amounted to $3,157, and the price of ten drills, purchased by the farmer, one each year for the last ten years at prevailing prices would amount to $2,039. Therefore the excess cash received in addition to the ten drills would be $1,118. Then the same thing in regard to the gang plough; in 1913 it took 136 bushels of wheat to buy a gang plough. The price received by the farmer for 136 bushels of wheat sold each year during the last ten years was $1,867, and the price of the ten ploughs purchased by the farmer, one each year for the last ten years at the prevailing prices would be $1,274.50; and the excess cash received in addition to the ten ploughs is $592.50. I understood that was the comparison to be made, and I wanted to leave that with you.

By the Chairman:

Q. We will file these.

WITNESS: There is a point raised by Dr. McKay in regard to Roumanian binders—

By the Chairman:

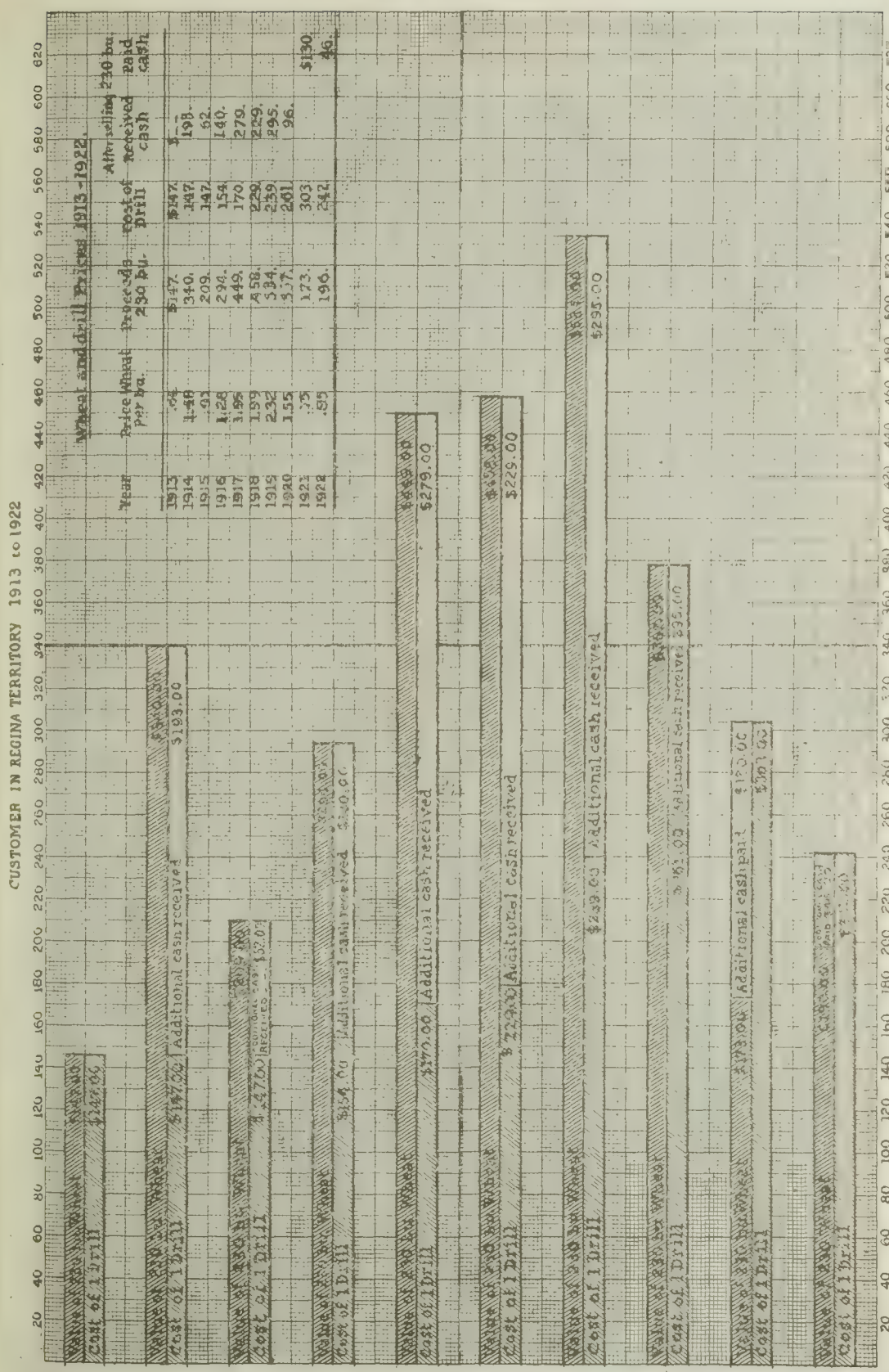
Q. This does not show that the farmer made or lost money those years; it only shows the comparative value in those different years between ploughs or drills or binders and wheat?—A. That is all. Dr. McKay, Member for North Renfrew, a member of the committee, referred to page 60 of the report of Mr. L. D. Wilgress, Canadian Government Trade Commissioner, on the trade of the new countries of Southeast Europe, where the following statement is made:—

> "Under the credit accorded by the Canadian Government, 3,000 Massey-Harris and 150 Frost & Wood Binders, together with a large quantity of spare parts, were imported into Roumania, and these machines are now being offered for sale by the Government to the peasants and land-owners at a price of 3,520 Lei each. This is the cost price of the machine figured at a rate of exchange very much below the present rate."

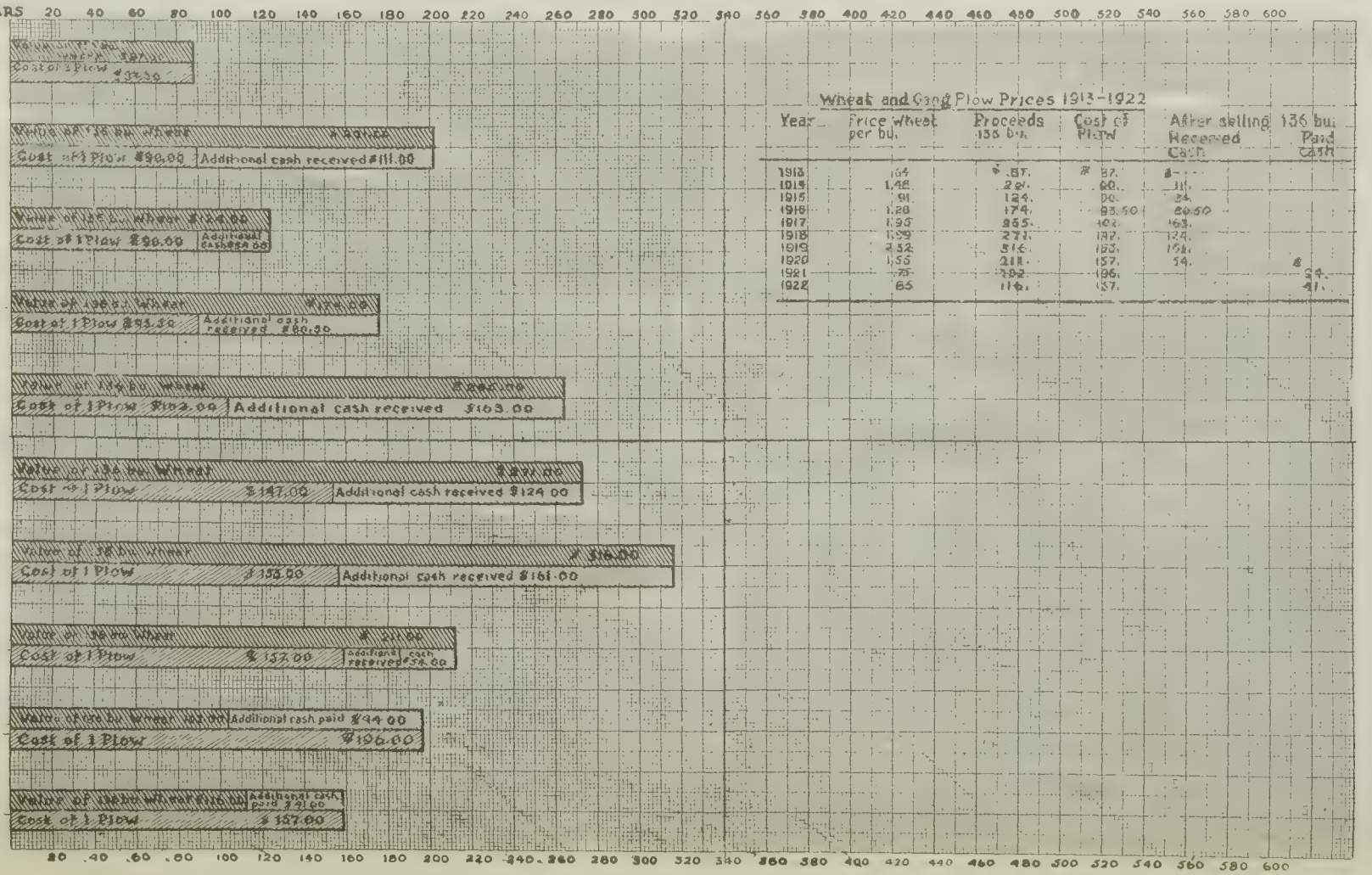
When referring to this matter at the last meeting I stated the general fact, not knowing the details of the case, that the price at which the company had sold these goods would be higher than the price of the same goods if sold in Canada. I had before me when discussing the matter, the fact that in selling

APPENDIX No. 3

EXHIBIT No. 189



PURCHASING POWER OF 136 BUSHELS OF WHEAT (AVERAGE PRICE, SASKATCHEWAN) WHEN APPLIED TO COST OF GANG PLOW (12" GREAT WEST, 4 HORSE WITH ROLLING COULTER) DELIVERED TO CUSTOMER IN REGINA TERRITORY, 1913 to 1922



Wheat and Gang Plow Prices 1913–1922

Year	Price Wheat per bu.	Proceeds 136 bu.	Cost of Plow	After selling 136 bu. Received Cash	136 bu. Paid Cash
1913	.64	$ 87.	$ 87.	$ - - -	
1914	1.48	201.	90.	111.	
1915	.91	124.	90.	34.	
1916	1.28	174.	93.50	80.50	
1917	1.95	265.	102.	163.	
1918	1.99	271.	147.	124.	
1919	2.32	316.	155.	161.	
1920	1.55	211.	157.	54.	
1921	.75	102.	196.		$ 94.
1922	.85	116.	157.		41.

goods retail in Europe prices are always higher than the prices in Canada. These binders are not sold in a retail way, but the Government was accorded the usual wholesale price, such as would be charged to any other foreign purchaser of a similar quantity of machines.

By the Chairman:

Q. "Any other foreign purchaser?"—A. We do not sell wholesale in this country. It was found that they were sold including packing and delivery at seaboard at a price of $202 each as set forth in the report to which Dr. McKay refers. Mr. Sales desired to know the type of binder in question. It was what is known as our No. 5 right hand binder 6 foot steel drive wheel, 41 inch table, one smooth and one serrated knife—there were two knives furnished—an ox attachment, transport truck and special European forecarriage. In the extract to which Dr. McKay referred—

By Mr. Sales:

Q. The same as our binder except a 6 foot cut? A. And the ox attachment, and things like that, and the steel drive wheel. Our wheel is a wooden drive wheel.

By Mr. Caldwell:

Q. That would not have any whiffletrees on?—A. Yes. Whiffletrees were supplied.

Q. It would be cheaper than what is on the Canadian binder?—A. It might be a little cheaper, but there were some additions made to that machine that are not made to our Canadian machine; possibly the one would balance with the other pretty much. In the extract to which Dr. McKay referred it was stated that these goods were being sold by the Roumanian Government to the peasants for 3,520 Lei. Converted at par this is equivalent to $680.42 each, there being 19.33 cents to the Roumanian Lei at par.

By the Chairman:

Q. Is that at the present par value?—A. I am just coming to that. At the time when Mr. Wilgress made his report the Lei had a value of about two cents, consequently the value in our money would be $70.40.

Q. When were they sold by the Roumanian Government to their people?—A. Sometime after the war.

Q. I don't know how Roumanian currency was, but it was after the war that we had the tremendous inflation in most of the countries?—A. Yes, during the war the currency of those central European countries remained pretty much at par. It was after the war was over that the slump took place; exchange was pretty well stabilized during the war.

By Mr. Caldwell:

Q. What year were those sold to the Canadian Government; what year did you sell them?—A. I think it would be 1919.

By Mr. Sales:

Q. How many did you supply?—A. 3,000.

By Mr. Caldwell:

Q. I am not so interested in what the Roumanian peasant paid the Government or what profit was made; I think the information we want is the amount you got from the Government for those machines?—A. $202 a machine.

Q. And that year your sales to the Canadian farmers were at $287.51?—A. That is in the west. Let us compare the same machine, and you must consider freight and everything in that connection.

Q. You delivered these to the seaboard?—A. Yes, at New York, which is a different thing to delivering them to Regina, entirely different.

Q. What is the difference in the freight?—A. As I recollect, the freight to the seaboard is $5.50 a binder, that is to New York; and to Regina it is $24 and some odd cents. $5.60. It is a short haul, compared to Regina.

By Mr. Sales:

Q. What is the distance from Toronto to New York?—A. I suppose it is probably about 300 to 400 hundred miles.

By the Chairman:

Q. Not more than 400 miles?—A. No.

By Mr. Caldwell:

Q. Your freight to New York would be about the same as that to the Maritime Provinces? A. No, the freight to New York—I have it here exactly. The freight to New York is exactly $6.90.

Q. What is it to New Brunswick points?—A. I could not tell you that. Now, Mr. Chairman, I have come nearly to the close of what I have to say.

By the Chairman:

Q. You remember, Mr. Bradshaw, you brought forward a rather doleful picture of the last two years, and I said, to be fair, we should have a ten-year statement. Do you think there is any objection to giving that?—A. I think I have that, Mr. Chairman, and if you would like to consider it, I will pass it to you, and I would like you to consider it yourself, or with any members of the Committee, but I prefer not to have it on the record.

The CHAIRMAN: I think we might look at this in executive session.

The WITNESS: Now, Mr. Chairman, we are greatly concerned about the West, the same as you are, because unless the West prospers we cannot prosper.

Mr. SALES: You had better lower that 9 per cent interest.

The CHAIRMAN: The witness is going to make some suggestions, let him have a fair field for a while.

The WITNESS: This Committee has been investigationg agricultural conditions in Canada with a view to discovering what, if any, steps can be taken to improve the position of the farmer, and in concluding this evidence, it may perhaps not be out of order to express just a few thoughts along these lines.

Now, I returned from Europe not very long ago, and was over there for quite a little time, and therefore had an opportunity of finding out what the people were saying about Canada, how they were feeling.

In the first place, it appears to me that it is most unfortunate that so much emphasis has been laid upon, and publicity given to the so-called agricultural depression in Canada. It seems to me that it has had a bad effect upon our own people, in putting them in a state of mind where pity rather than self-help occupies their attention; and it has greatly weakened Canada's position abroad. She does not now appear a desirable home to emigrants, as compared with Australia and South Africa which have been painting their own charms in no uncomplimentary way; her credit has been undermined, for who cares to deal with a nation apparently thought to be approaching bankruptcy; and her future jeopardized, since the seed of doubt once sown grows vigorously.

I know this from actual experience, because while I have not been in the agricultural machinery business very long, I have been connected with the business of loaning money to the farmer since 1897, and I have been up and down the provinces of Manitoba, Saskatchewan, and Alberta, on the actual farms, talking to the farmers and making loans to them, and I am still associated with two or three companies making loans to western farmers, and I have had an opportunity of knowing just exactly how they are situated.

As a matter of fact, agriculture at the present period is no more depressed than it is has been at other times in the past, and, moreover, it is far from being a local condition. It is as widespread in the East as in the West; it affects the United States as well as Canada; it is a feature of agriculture in the eastern hemisphere as in the western. An "Agricultural Tribunal of Investigation" has been sitting in England and has just brought in its report upon agricultural conditions in Great Britain. In passing, it may be noted that it is evident from its report that artificial restoratives are few.

By Mr. Caldwell:

Q. What was their report, was it rosy?—A. No, it was not rosy, it was not good, but at the same time it was believed that the only way conditions could be improved was by what I think we have all got to do, and that is, we have to work hard, have patience, and have courage.

Q. Was the report published?—A. It was published, but I have not a copy of it here. I can get you a copy.

Q. And it was not good?—A. No.

Q. How did they get this information, by holding investigations?—A. They had a small commission appointed to look into it.

Q. You would not surely condemn us, then, for endeavouring to find out the true condition in Canada?—A. No, I do not, but what I think we are wrong in—I am classing myself with you and others—is that we are proclaiming to the world our poverty and our poor condition.

By Mr. Hammell:

Q. On the floor of the House of Commons.—A. You take a merchant; if he is struggling, he is not going to publish to his clients, to the people from whom he is buying material, his poverty or anything like that.

By Mr. Caldwell:

Q. There is this difference, though. He largely has the remedy in his own hands; he marks up his goods to make them pay, but the farmer cannot mark up his goods. Mr. Hammell stated it should not be spoken on the floor of the House—

Mr. HAMMELL: No, I said it was.

Mr. CALDWELL: Is that not done in England? How are you going to bring it to the attention of the Government, or the people in authority, if you do not state your case. If a man has a case in court, how is he going to put his case before the court?—A. I believe it is the proper thing to state your case if you have a grievance, but I believe it has very often been over-stated.

Q. How is it heralded through the world, by newspapers, is it not?—A. Yes.

Q. Then you have to condemn the newspapers?—A. No, it is the men who speak in public.

Q. If you do not present your case, how are you going to get the remedy? —A. State your case in moderation, and state it within the facts.

Nor is agriculture the only industry struggling with adverse conditions. All business is suffering, and most especially manufacturing, which is subject to the dual handicap of high prices for purchases and low prices for sales. To use a collaquialism, farmer, merchant and manufacturer are "all in the same boat."

Yet there is this to be said for agriculture. It has been prosperous in the past and will be in the future. We will have the same soil, the same climate, the same seeds, and the same stock. What is more, we still have the same courageous, hard-working men turning them to account.

While all of us departed during the war and the prosperous times which followed it, from the old-time path of moderation, which brings success; yet there is no reason why an application now of the age-tried principles of faith, economy, and hard work should not be productive of the results for which we are all hoping.

If a personal opinion may be allowed, I feel that we are at the turn of the tide. The big crop of last year even if sold at lower prices than have been prevailing in the last few years, must have helped to clear away many liabilities. I have found that to be the actual case, that while last year's crop was not what you would call a first class paying crop, it has helped.

By the Chairman:

Q. That is say, your collections in the West have improved this year over last year?—A. Yes, sir, they have.

Mr. HAMMELL: They are over the peak.

The WITNESS: The few home-seekers who are coming to our shores appear to be of the right type; and the new season has opened with favourable reports of seeding and winter wheat. Only one thing is needed—markets. Europe is slowly recovering; the cattle embargo has been lifted; and finally the present prosperity wave in urban centres of the United States may spread to Canada, giving new buoyancy to domestic trade. The future is the realm of the prophet, but the "signs of the time" induce optimism.

Mr. CALDWELL: In the heart of the manufacturer.

The WITNESS: I am just reminded of one other matter which I would like to close up, a matter that Mr. Gardiner referred to. I am sorry to break in again—.

The CHAIRMAN: Mr. Bradshaw, do not think that we are not listening to you with pleasure, because we are. We may not agree with everything you say, but that does not make any difference to our pleasure at hearing you express yourself.

The WITNESS: You have others to hear, and I do not want to take up too much of your time, but there is one matter that I would like to refer to, and that is with regard to our spare parts. You will remember, Mr. Gardiner, that you thought the cost of the spare parts, taken one by one, of a binder, would probably total up to $1,500, and you modified that by saying that you thought it would amount to about $1,000, and then I think someone else said that they did not expect these spare parts would be seven or eight times as much as the binder. I went to work to find out just exactly what these spare parts would amount to, and I find that the total retail price of spare parts, taken one by one, would amount to $584.58, and that altogether these parts numbered 1,530. Those are the numbered parts. In addition to 2,992 bolts, cotters, and washers, provision for which has been made in the total cost by parts. I have also obtained a similar information with regard to a 20-section mower, and find that while the price is $106, the total price of the individual parts, one by one,

amounts to only $178.30, and that in all there are 324 parts, in addition to 226 bolts, cotters, washers, etc. It will thus be seen that the individual parts amount to only twice the cost of the whole binder and to much less than twice the cost of the mower. Those are the retail prices at Regina.

Mr. GARDINER: I would just like to state with regard to that, that the information I gave with regard to the cost of the parts, referring to the $1,000, would I am satisfied something like 12 years ago, when these particular parts were added up according to the prices charged by the local dealers, be about right. I do not know whether the Massey-Harris Company has any control over the actual cost of these parts or not, but there is no question in my mind as to the accuracy of the statement as it applied something like 12 years ago. The company may charge these parts to the distributor at a certain price, but it cost the farmer practically what I stated, at that time.

The WITNESS: In respect to that, I would say that the company publishes a printed list giving the prices of these spare parts, and that any farmer is entitled to see that list, and that our agents are strictly instructed, under great penalty, not to charge one cent more than the price in that list. In the province of Saskatchewan we have to file that list, by law, with the Government, so there can be no possible excuse for overcharging on Massey-Harris spare parts.

Mr. GARDINER: I will accept your statement, Mr. Bradshaw, but I am referring to a time about twelve years ago, and I am quite satisfied that the statement I made was reasonably correct. What they may be, to-day, of course, I would not like to say.

The WITNESS: There is just one other point, and that is a matter referred to by Mr. Sales, and it is very important. Mr. Sales stated that he had heard a gentleman make a statement at a very large farmer's meeting around 1913 that when a binder cost $38 to make, it was put on a train and then cost the farmer around $175 to buy. He said there was something radically wrong, and a lot of them wondered whether the $38 was the cost of manufacturing. I asked Mr. Sales where he got the information, and he replied, "I heard it on the platform said by Dr. Oliver of Saskatoon". Mr. Sales added: "Other things have been quoted along these lines like, for instance the carload of binders that was wrecked. The Railway Company only paid the actual cost of producing them which was 30 odd dollars. Now if there is no truth in this statement, it is to the interests of the machinery company that they should disprove it". I want to disprove that statement, and I hope it will never be repeated.

The foregoing statements and others of a similar character have from time to time been made by irresponsible speakers, and I cannot but believe that some of them at least, knew at the time that they were absolutely false. The matter first came to our notice in 1910 when Mr. John Evans of Nutana, Sask., wrote to the then President of the Company, Hon. Sir Lyman Melvin Jones. Amongst other things he stated in the letter:—

> "That a carload of Massey-Harris binders, consigned to Mortlack, Sask., was wrecked on the C.P.R. The Massey-Harris Company claim price 'off cars' at Mortlack, while the C.P.R. would only settle for cost of production. The C.P.R. won the case and settlement was made at $40 a binder."

To the above statement in Mr. Evans' letter, Sir Lyman replied as follows:—

> "It was this sort of rubbish that made me hesitate to reply to your letter, because I felt that if you personally believed such absurd, ridicu-

lous statements, it was not worth while to go to the trouble of saying to you that they were untrue. I say in reply that $40 as mentioned, does not cover the cost of material that goes into the binders, much less provide the wages covering the entire cost of manufacture, such as coal for power and heating purposes, light, water, oil for tempering, oil for furnaces, grindstones, files, patterns, dies, forms, jigs, crating, interest on buildings and plant, wear and tear on machinery and buildings, insurance, taxes, and a great many other charges. There is not even one wee little bit of truth in the above statement. No such accident as indicated has happened to a carload of binders. No such settlement has taken place, nor is there any settlement pending, and, therefore, there is not one iota of truth in either of the two statements referred to. They are absolutely untrue in every particular."

This emphatically explodes the myth and proves beyond a doubt that it has no foundation in fact. We trust, therefore, that Mr. Sales will be good enough to give as much publicity to the denial as was given to the charge; that he will also advise Dr. Oliver of Saskatoon of the facts as I have given them at the present time; and that he will do everything in his power to give a quietus to this oft-repeated falsehood.

By Mr. Sales:

Q. I have not made it public. I asked you a question. Have you a copy of your evidence before you, Mr. Bradshaw?—A. No, I have not.

Q. You give fourteen agricultural machinery companies and their capital, and the result of their operations for the years 1921 and 1922. No. 10 shows a profit of $4,150,000. Two others show a smaller profit, and the rest show a loss. Would you explain why that is?—A. Yes, Mr. Sales, I will be glad to do that. That company (No. 10) manufactures in addition to agricultural implements, large trucks, binder twine, and tractors. It owns ore mines, it owns coal mines, it has timber limits, and is engaged in other pursuits other than the manufacture of agricultural implements. I stated, I think, in my evidence—my recollection is—that the president of that company stated in his last annual report that they did not make any money whatever last year out of the agricultural machinery business in the United States of America. I believe that their earnings were made out of these other interests. I cannot help but think that was the case from the fact that the other companies that are given here, which are all purely agricultural machinery companies, did not make any money.

Q. There is No. 13, which made a profit of $48,000?—A. Yes.

Q. Are they purely a machinery company?—A. I am not quite sure about that company. It is a small amount.

By the Chairman:

Q. Mr. Bradshaw, dealing with the figures you gave us of the capital invested in your company, I note that between 1913 and 1920 your capital stock was augmented by about $4,000,000. Does that represent any new issue of stock subscribed and paid for by shareholders?—A. No, I think it represents only about $150,000 or $160,000 of new capital. It has been augmented by earnings.

Q. Do you know what was the original capitalization of the Massey-Harris Company?—A. No, the company started in 1847.

Q. You have been with the company how long?—A. About four years.

Q. But of that $4,000,000, only $160,000 represents fresh capital?—A. I think about $150,000.

Q. The other is accumulated earnings?—A. Yes, sir, that is my recollection.

Q. I supposed that, due to development or working capital or something?—A. Yes.

Q. I am not questioning the right to regard that as capital, but it is always interesting to know whether it was fresh capital put in, or whether it was accumulated profits?—A. It was accumulated profits.

By Mr. Caldwell:

Q. Now, we asked you to furnish us with the amount of the capital stock in 1910, and the dividends made from 1910 to 1920.—A. I would prefer, Mr. Chairman, that that would not be published. I have no objection to any of the members of the Committee seeing it.

Q. Anything that you show me cannot be withheld from members of the Committee. Is there any objection to giving us the dividends that were paid over that period?

Q. You have not given the dividends paid. I asked you the question, "The capital stock in 1910, the dividends from 1910 to 1920, taking the average cash dividends, the increase in capital, the increase in reserve, and stock dividends. Could you furnish us with all that when you come back?" and you answered, "I can furnish anything you require"?—A. There was such a grist of stuff.

Q. You will remember I gave you a note of it. Now the Ford Motor Company gave us that, and it was put on the records—the amount of dividends paid, and the increase in capital due to earnings. I think we should have that. You have not given us the dividends.

The CHAIRMAN: The increase in capital is quoted year by year in the statements; the earnings are quoted; the percentage on capital invested is quoted, and the losses for the last two years are also noted. The only thing which I think is incomplete would be the amount of dividends.

Mr. SALES: And the division of the earnings.

The CHAIRMAN: I took 1913 and 1920, which was the peak of the capitalization, and Mr. Bradshaw told me that only $160,000 of that had been fresh capital. The other, of course, must have come from surplus earnings.

Mr. CALDWELL: But we have not got the amount of dividends. We want that, whether it is in the records or given to the Chairman. We want that information. We asked for it, and Mr. Bradshaw agreed to bring it.

The CHAIRMAN: I do not think Mr. Bradshaw will have any objection to giving that information. It is merely as to how you distributed those earnings. You put some of them back into the business and some went to the shareholders.—A. I will give you this information.

The CHAIRMAN: Is there anything else before Mr. Bradshaw concludes his evidence? If there is not, I am going to thank Mr. Bradshaw, on behalf of the Committee and myself, for the valuable information he has given us, and the way in which he answered the questions. We have with us this afternoon the Hurlbut Shoe Company's representative.

Gentlemen, if we are going to finish with all these witnesses, we will have to have an evening session, and I wonder whether we should not adjourn now and come back at 8 o'clock. What do you say, gentlemen? (To the witness): Can you get through in half an hour?

WITNESS: I think I can make it short if you do not ask me too many questions. I would like to get away on the night train for Toronto, if I can.

CLAYTON E. HURLBUT was called and sworn.

By the Chairman:

Q. What is your full name?—A. Clayton E. Hurlbut.

Q. Where do you live?—A. In Preston, Ontario, but I have to go to Toronto to-night.

Q. You make shoes, I understand?—A. The Hurlbut Company, Limited, is the name of the company.

Q. What position do you occupy in the company?—A. Manager.

Q. Well now, Mr. Hurlbut, you were asked to come before us with the object of explaining some matter to us, or giving us the benefit of your advice on some matter. You might just tell us and say what you have to say.—A. It was a question of arriving at a consumer's price, a resale price. I believe that that was the chief subject that I was asked to appear before the Committee for. Our company has a certain amount of data that might be of use to this Committee in arriving at a judgment as to whether it was in the public interest to—

Q. Sell goods to people and tell them what they had to re-sell them at?—A. Yes.

Q. Well we would be glad to hear your views on that subject.—A. The history of this, so far as we are concerned, is that last year, owing to conditions over which we apparently had no control, owing to not having had a sales policy in reference to this matter, our sales in a great many places through Canada dropped away very materially, and early this year we started an investigation to find out the cause of the lack of co-operation from the dealers in Canada, and as a result the sales manager in charge of it has compiled this report, and from this report I have taken what I consider is the gist of the argument that he has used in reference to the matter of re-sale price. If you will allow me, I will read the letter which my sales manager handed me, dated April 2nd. (Reads):—

"April 2, 1923.

"Mr. C. E. Hurlbut,
General Manager,
The Hurlbut Co., Ltd.,
Preston, Ont.

"Dear Mr. HURLBUT,—The attached report—covering the past, present and proposed future distribution plans of the company, are presented for your earnest consideration.

"A careful survey of the whole field has proven that the move the Hurlbut Company made towards having a re-organization of the sales distribution system, was a wise one—and taken none too soon.

"The evidence clearly proves that if this re-organization work had not been undertaken, the results, ere long, would have ended in greatly reducing the company's future output of shoes, and seriously curtailing expansion.

"Re-organization work of any kind, coupled as it is with very extensive analytical work, always takes considerable time, but once in hand will well repay for the time and money expended.

"I can safely say that the plans as already developed, when fully under way, will result in real tangible results in the near future.

Yours truly,

(Signed) GEORGE W. ALLEN,
Sales Manager."

APPENDIX No. 3

As a basis of this report, on January 19th we sent out to the retail trade, to about 900 retail shoe merchants of Canada, the letter which I will read, if you are agreeable. (Reads):

"January 19, 1923.

"GENTLEMEN,—After a thorough analysis of the distribution of Hurlbut Welts and Pussy-Foot Shoes, and upon consultation with many retailers in different cities and towns in Canada, it has been found desirable, in the best interests of consumers, retailers and ourselves, to reorganize our distribution plans on the following basis:—

"1. To confine the sale of Hurlbut Welt and Pussy-Foot shoes to the best, or most representative stores in each city, town or district.

"2. To maintain consumer prices, through agreement with the dealers, that will allow them a fair margin of net profit.

"3. By the official appointment of a certain limited number of retailers in each district, city or town as Hurlbut agents and by strictly limiting the sales of Hurlbut and Pussy-Foot Shoes to agents appointed.

"The objects we are striving to secure are as follows:

"1. The widest distribution of Hurlbut Shoes in the most economical way.

"2. Elimination of price cutting, and the protection of Hurlbut dealers against unfair competition.

"3. To secure a friendly co-operation between Hurlbut dealers and ourselves, by making it worth while for Hurlbut dealers to carry full stocks of Hurlbut shoes, and give special attention to their sale.

"4. To maintain the high quality standard set by the Hurlbut Company (for price cutting cannot but eventually kill any quality line.)

"The Hurlbut line will be confined to selected list of dealers in your section. We know that the objects outlined would serve our mutual interests and we urge acceptance by you.

"If agreeable, please sign the enclosed acceptance, and by return we will mail your appointment and a handsome sign bearing the words: "Agents by Appointment Hurlbut Cushion Sole Shoes for Children."

Yours truly,

THE HURLBUT CO., LIMITED,
Sales Manager."

Along with that we enclosed a proposed re-sale price list.

Q. Have you got that price list?—A. I have that price list.

Q. Will you give it to us?—A. Yes, I will leave a copy of the price list with you, if you wish.

EXHIBIT No. 191

ACKNOWLEDGEMENT OF ACCEPTANCE OF HURLBUT AGENCY

The Hurlbut Co., Limited,
Preston, Ont.

January 30, 1923.

GENTLEMEN:

1. I hereby accept appointment as agent for the sale of Hurlbut and Pussy-Foot Shoes, which I am to purchase from your Wholesale Distributors, Messrs. Philip Jacobi, at regular dealer price list and terms.

2. It is understood that I will carry in stock a complete line of Hurlbut and Pussy-Foot shoes to adequately care for my trade on these lines, and to give my whole hearted co-operation to the sale of all lines under this agency.

3. I agree to maintain and strictly adhere to the re-sale price to the consumer as follows:

Hurlbut Welts—

		Cost
5/7½ Buttons and Bluchers at	$4.00	$2.65
8/½ Buttons and Bluchers at	4.75	3.20
11/2 Buttons and Bluchers at	6.50	4.40
5/7½ Straps and Sandals at	3.25	2.15
8/10½ Straps and Sandals at	3.65	2.50
11/2 Straps and Sandals at	4.85	3.40
5/7½ Oxfords at	3.75	2.50
8/10½ Oxfords at	4.25	2.85
11/2 Oxfords at	5.50	3.75

Pussy-Foots—

2/5 Buttons, Bluchers and 3 Straps at .. $2.25
2/5 Straps at .. 1.75

4. I will adhere to the above prices to the consumer until such time as you issue a new dealer price list, at which time a new consumer price list is to be mailed to me.

5. All the above is subject to, and in consideration of, my receiving from you a special agency appointment, as per your letter of January 30, 1923.

Yours truly,

.....

NOTE.—To be signed (if agreeable to him), by Miss M. O'Malley, 101 Bank Street, Ottawa, Ont., and returned to The Hurlbut Co., Limited, Preston, Ont., who upon receipt of same, will send official appointment of agency.

Q. Will you just give it to us now. No. 5 to 7½, $4?—A. Yes.

Q. What was that to cost the retailer?—A. No. 5 to 7½, button and bluchers—there are two prices on that. $2.65 for patent button top, of which I have a sample here, and $2.85 for mahogany calf, button or blucher. That is a lace.

Q. It was being sold to whom, at that price?—A. To the dealer.

Q. What does the consumer have to pay?—A. He pays $4 a pair. That is the consumer's price you have before you.

Q. The dealer pays $2.65?—A. $2.65 and $2.85.

Q. And the consumer pays $4?—A. Yes.

Q. You appoint the retailer, do you?—A. We appoint the retailer.

Q. But you do not sell to him directly?—A. We sell through an agreement with our jobbing house.

Q. Why do you have a middleman coming between you and the retailer, when you appoint the retailer? Just what is the object of that?—A. We would have to do that distributing ourselves; we would have to carry a very much larger stock; we would have to put salesmen out; we would have to carry the credit and the losses on the account. We have figured the matter out many times with a view of taking over the distribution ourselves, but we have always come to the conclusion that we could not do the work any cheaper than our distributor is doing it.

Q. Does the distributor pay $2.65 or $2.85 a pair for these?—A. $2.65 and $2.85. The line is averaged as a $4 price.

Q. You sell to what might be called the wholesalers?—A. You want the wholesaler's price?

Q. Yes?—A. I can give you that.

Q. Do you set the price at which the wholesaler has to sell?—A. Yes, we set the price for that.

Q. The price that the dealer pays for that line is what?—A. $2.16.

Q. $2.16?—A. Yes.

Q. And for the other line, what does he pay?—A. I have my price list here. I would like to verify that before answering. $2.16.

Q. Yes.

By Mr. Sales:

Q. For both pairs?—A. No, on the mahogany calf, $2.32 and $2.16.

Q. And $2.65 and $2.85?—A. Yes.

By Mr. McKay:

Q. And $4?—A. $4 all the way through. We find that the retailers usually average up the prices that come so closely together.

By the Chairman:

Q. They must not sell for more?—A. In some cases they do, but we have discouraged the selling of our line for more. It is not often it is sold. It is only in the very high grade shoes stores it is bought.

Q. In the very high grade shoe store, paying the high rent, it is to these high grade people he sells your shoes? There may be some cases where they have been sold for more than $4?—A. There may have been cases. It is very seldom we have had that trouble. We have never taken any action. This has only been in force since the first of the year.

Q. Suppose they commit the sin of selling for less than $4, what would happen?—A. We would draw the line.

Q. They might possibly sell for more, though you would discourage them if they sold for less. They will not get any more of your goods?—A. No.

Q. Do you commend that to us as a good way to reduce the cost of living in this country?—A. I maintain from an investigation that, under that system of distribution, we know that in a great many cases our rate of profit on this basis is lower than a great many retailers used before we put it into operation, and that if we are not permitted to make a re-sale price, with the quality of the advertised line that we have got, our sales will diminish or our quality will have to drop in order to make a cheaper grade shoe.—A. We could not possibly maintain these prices and get the trade unless we were giving the quality in our goods.

Q. I am not doubting the quality of your goods, it is whether this a real benefit to the consumer. That is where the doubt is in my mind. However, let us go on. The next is Bluchers, sizes 8 to 10½. You charge the wholesaler how much for those?—A. The charge for 8 to 10½ is from $2.60 to $2.72, on the same lines.

Q. He resells at how much?—A. He resells at $3.20 and $3.35.

Q. What must the retailer sell for, if he is to be supplied with any more goods?—A. At $4.75.

Q. Are these full-size shoes or children's shoes?—A. Children's shoes.

Q. 11 to 2, what do you charge for those?—A. Do you mean our sale price to the retailer or to the jobber?

Q. To the jobber?—A. 11 to 2, stock of a similar line, the price is $3.52.

Q. He then sells them for how much?—A. $4.40.

By Mr. Caldwell:

Q. What was your first price?—A. $3.52.

By the Chairman:

Q. What is the ordinary percentage, on these figures?

Mr. GARDINER: 28¾, that was the retailer's profit.

The CHAIRMAN: What was the wholesaler's profit?

Mr. GARDINER: I did not figure that out.

WITNESS: I can give you how it works out in the jobber s profit. The net price laid down at the warehouse, or brought to the warehouse is about $2.71, and there are expense items with that running to about 13 per cent.

By the Chairman:

Q. What are those expense items?—A. Sales expense and so forth for handling.

By Mr. Caldwell:

Q. Overhead?—A. Yes.

By the Chairman:

Q. What is the percentage of gross profit, that is what we want?—A. It would amount to about 18 per cent on their sales.

Q. You advertise these pretty largely, do you not?—A. Yes.

Q. You create what you call a consumer demand?—A. We try to create a consumer demand.

Q. You sell merely to the better class of shoe stores?—A. We sell to representative dealers all over the Dominion of Canada

Q. The dealers you appoint are in the larger class of stores?—A. Well, we sell to stores in the Cobalt district. They would not be called high class stores. They are good stores, but would not be considered in the same class as some of the Montreal stores. They are sold in many places, but not in that type of store.

Q. But where there are representative stores, you choose the more pretentious of them in which to sell your goods?—A. Not altogether the more pretentious stores. They do sell our goods, but I would say that they are sold to the more reliable shoe dealers.

By Mr. Caldwell:

Q. Do you sell to more than one store in a town?—A. Yes. The only limitation we have made is in the cutting of prices, which we found interfered with our sales last year to a large extent.

By the Chairman:

Q. You confine your sales to the best and most represenative stores—that is your policy?—A. Yes. In the city of Toronto we have more than 100 accounts.

By Mr. Sales:

Q. You confine your sales to stores that will maintain the prices you tell them to sell at?—A. Yes.

By the Chairman:

Q. Suppose a man was a real smart merchandiser and a keen dealer, and he was able to sell at a cut price and make a profit that would satisfy himself, could he get your goods?—A. No, sir.

Mr. CALDWELL: He puts a premium upon efficiency.

The CHAIRMAN: Doesn't he rather put a premium upon inefficiency.

WITNESS: I do not think so. We investigated this very closely before we started in it, and we found that the consensus of opinion among the retail shoe dealers was about as we found in Kingston. In Kingston when we started out we had about seven dealers, three of whom were more or less cutting prices, putting goods out in the store windows, hanging them up in the stores and so on. We found that the dealers who did the larger amount of business in such towns lost interest in our lines, we could not sell them our shoes, for the reason that they could not make a profit which would pay them to handle our lines, and they dropped them.

Q. Those men who were cutting the prices were able to buy them?—A. No, they simply bought a few lines so that they could use our advertised lines in order to draw people to their stores, to sell our goods. They did not use it in a legitimate way at all.

By Mr. Caldwell:

Q. We have found that a good many lines of business are overdone, that there are too many in the business to make it profitable, too many dealers in one certain line. Would your policy induce more people to go into it?—A. No, I think it would be the opposite way.

Q. You said that you reduced the number of dealers?—A. We reduced the number of shoes we sold in Kingston. I am using that as an illustration of what happened. It cut our sales down to zero in Kingston. We were not discriminating in the handling of our goods. The class of stores that sold them at cut prices were not the representative stores, were not the better class of stores. They were using them simply as a drawing card, to get people into their stores. Frequently they had stocks of shoes and did not want to push them at the cut prices, they could not make any money on them.

By Mr. Elliott:

Q. You argue that the system you have now protects the public from having a poor grade of shoe passed off upon them?—A. Absolutely. Last year we distributed to the retail trade probably about two-thirds of what we should have distributed last year, if our policy had been right, from what we know is taking place under this policy. We distributed actually to the retail trade 250,000 pairs up to size 10½. We have proven this year already that under this system our sales have been about 20,000 pairs more than they were during the same period last year. People are not buying our shoes for the fun of it. If the value was not there for the prices we are asking, we could not sell. I can give you the figures of what the retailer's profit is on that line, showing that he cannot do business under those prices.

By the Chairman:

Q. You say that a man cannot do business under so much. Isn't this the only way, to try it out, to allow competition to be free, and to allow the best men to succeed where other men fail?—A. Well, it is a rather expensive way of dealing with an article advertised as ours is; we know to our own cost, doing that in the last two years, that we have lost considerable business by it.

By Mr. Gardiner:

Q. What was your cost of advertising during the last year, Mr. Hurlbut?—A. Do you mean the total amount of advertising?

Q. Yes.—A. Since 1911 we have spent $72,000 in advertising. Last year we spent $35,000, very largely because of business conditions, which we tried to correct through advertising, and which I believe we did correct to a very large extent.

By Mr. Caldwell:

Q. $35,000 last year?—A. Yes.

By Mr. Sales:

Q. And what were your total sales last year?—A. Our total sales to the retail trade, $780,000.

By the Chairman:

Q. About five per cent spent in advertising?—A. Yes, sir.

By Mr. Gardiner:

Q. Mr. Hurlbut, the man that cuts prices evidently did not sell many shoes, is that the idea?—A. Well in fact our experience has been that the men who cut prices are not trying to sell your product. It is because we have spent a lot of money in advertising and created a demand that they like to use a line like that as a leader, in order to draw people to their store, and that is the effect that it has on a well known advertised quality line, if it is permitted.

By Mr. Sales:

Q. Do you sell to the large man or to the small retailer?—A. We sell the T. Eaton Company only.

Q. And do you sell to them under sale restrictions?—A. Yes.

By Mr. Elliott:

Q. Do you stamp your shoes with the Eaton brand?—A. No, sir.

Q. Why not?—A. Because we have spent a lot of money making our own brand known to the public, Mr. Elliott, and we don't think that it is good policy to stamp anybody's else's name on our shos.

By Mr. Sales:

Q. I suppose you sell direct to the T. Eaton Company from your factory? —A. Yes.

By the Chairman:

Q. What do you charge them?—A. The same price as the retail traders.

Q. And the T. Eaton Company buys a big shipment of goods from you of five or seven buttons and Bluchers?—A. That is a rather sore point with the T. Eaton Company and I hope the Press won't rub it in, but that is the fact, the goods are sold at the same net price as the average retailer gets, as the retail trade gets.

Q. As he gets from your wholesaler?—A. Yes.

By Mr. Caldwell:

Q. Do you sell a large quantity?—A. We sell on a net price basis and the price is the same as the net price to the retail trade.

Q. But do you sell a large quantity to Eaton's?—A. Yes, quite a large quantity of shoes.

By the Chairman:

Q. If I were a shoe merchant in Ottawa and wanted to buy some of your shoes, I would get them at the same price through your wholesaler as if I were Mr. Timothy Eaton himself?—A. Just the same price.

Q. And I suppose they do not like that?—A. Well, I say I don't wish to rub it into the T. Eaton Company by having it broadcasted. They know that though.

Q. You do that for the purpose of what you call protecting your wholesaler and retailer?—A. To protect our retailer and to protect our product through unfair competition which would eliminate it from the market. There is no question in my mind that the cutting of the prices of our shoes would eventually eliminate our product from the Canadian market as a factor at all.

By Mr. Gardiner:

Q. What would take the place of your shoes?—A. I don't know what would take their place but it would be a cheaper line. That is one the of the disadvantages to my mind of a line on which the price is not established.

By Mr. Caldwell:

Q. Mr. Chairman, I think this is very interesting. If he sold the shoes cheaper, do you mean that it would not pay you to make them or that the people would not buy them?—A. Well you gentlemen can pass a law that will prevent us fixing the price; but you cannot pass a law that will compel a retail man to buy our stuff if we don't allow him sufficient profit to handle it.

Q. That is not my question. You think it the retailers take a less profit and sell them at less than you advertise them—supposing your retailers all did that what would be the effect?—A. If they would all agree to doing that?

Q. Under the natural law competition, do you say your sales would fall off if they sold cheaper?—A. I am giving you concrete cases of what did happen to our distribution through this question of price cutting. And this is all over Canada.

Q. Isolated cases?—A. No, all over Canada.

By the Chairman:

Q. It seems strange you know, Mr. Hurlbut, that when you make a good article, as you do, that a reduction in price to the consumer would diminish your sales, unless we all buy things just because they are a little more expensive?—A. Might I give you what I consider is a fair profit for the average retail dealer?

The CHAIRMAN: Before we go into that we will adjourn. If you can return at eight o'clock we will try to get you through so that you will get your train.

The WITNESS: I will be permitted to make my reservation for to-night?

The CHAIRMAN: Yes, you will be safe in doing that.

The Committee adjourned until 8 o'clock p.m.

Evening Session

The Special Committee appointed to enquire into Agricultural Conditions throughout Canada resumed at 8 o'clock, the Chairman, Mr. McMaster, presiding.

C. E. HURLBUT, recalled.

The CHAIRMAN: Will the Committee please come to order. Where were we when we adjourned? Will you please go on?

The WITNESS: There is just one point I would like to bring out first, and that is, I do not want to have the Committee feel that we have been trying to limit our output or the production of our shoes in any way by our methods of distribution. We feel that by these methods we will increase production and

thereby eventually lower our price, through increased production, when we try to limit the number of dealers that handle our shoes. Not in that sense. We sent the letter that I have made an exhibit to every dealer to whom we were selling before this price agreement went into effect, and gave every man, I believe, an opportunity to come in on the agreement, providing that he would keep the resale price.

By the Chairman:

Q. Let me interject a question here. Is Phillip Jacobi the only wholesaler you sell to?—A. He is our wholesale distributor for the Dominion of Canada.

Q. You do not sell to any other wholesaler?—A. Not the Hurlbut line, the line under discussion at the present time. We make some other lines of shoes.

Q. Do you sell to anybody who wants to buy them?—A. No, they will be marketed with one jobber in each province.

Q. And other jobbers cannot have them?—A. No. The outcome of this investigation showed that we were not getting the co-operation of the dealers of the Dominion of Canada. I could cite instances from coast to coast; I have cited Kingston, I could cite Vancouver, which was in a very bad condition when we took hold of this. The price at that time should have been around $4.75. They started cutting the price; one man cut it 25 cents a pair, the next fellow cut it another 25 cents a pair, and eventually they carried on an advertising campaign in the street cars, one of them selling the shoes for $3.50 a pair, which was the actual cost they paid in Toronto for these shoes, without the laid down price, and it absolutely demoralized our trade in the city of Vancouver.

Q. Most reprehensible conduct.—A. We had no control over it, and it meant we had to try and straighten away the situation in Vancouver, which we have finally done on this price basis.

Q. Did the fellow who cut them down to $3.50 sell a great many shoes?—A. I presume he did, but he would not take another order until the matter was straightened away. He naturally sold a lot of shoes.

Q. A good many little feet had the pleasure of being dressed in your comfortable shoes that would not otherwise have had it.—A. Yes; up to that point it was a good thing for us, but that meant the finish of our distribution in the city of Vancouver until that was cleaned up, and that is the danger of an open price on an advertised quality line. If the same situation had gone on in the Dominion of Canada, we would have been forced to meet competition on a price basis instead of on a quality basis. We have tried to keep our product up to a high standard, and it is recognized, I believe, as a high standard for children in Canada. In fact, we say there is not a better shoe produced in America to-day than the one we are making.

By Mr. Milne:

Q. We will interpret from that that if all shoe companies sold direct to the public, there would be no shoes sold?—A. No, sir, that is not the point at all. On an unidentified line, an unadvertised line, without a trade mark identifying the product to show the consumer whether or not he is getting quality in which the reputation of the manufacturer is tied up, it is much easier for a retailer to put an exorbitant rate of profit than on our line. For instance, I could take a line of shoes that has no mark at all, selling for, say, $3.10 a pair. I could go to a manufacturer and get him to take 10 cents, 15 cents, or 20 cents a pair off that shoe, make it up on a similar last, I could put it into your retail store, I could put on 60 per cent profit and get away with it on the basis of a higher price shoe, as far as the consumer was concerned, and he would know absolutely nothing about it.

Q. What would be the difference?—A. The difference would be in the lower quality of the shoe.

Q. If the consumer did not know it?—A. Why should a retailer be permitted to get an exorbitant profit on a low quality product? We have endeavoured to maintain a very high standard product. We know, with this system of ours, that the profits which the retailers get will be lower than they would possibly have got on an open line, because we know that the only thing—in reference to the case the Chairman asked me about before adjournment, the case of a man adding more than the profit we allowed, there was only one case I know of, and that was a case in Orillia, in which the dealer there was getting 60 per cent on our shoes. We immediately gave the line to another dealer in town, who put on, I think, a 40 per cent or 45 per cent margin, and he got quite a lot of business, and the other man, of course, made quite a holler. We told him at the time that we would just as soon have the price cutter as the man with an exorbitant profit.

By Mr. Sales:

Q. You are really trying to control the retailer's exorbitant profit?—A. Just as much as though he were underselling. There are some retailers that are not good retailers, you know.

By the Chairman:

Q. The good retailer is the retailer that takes neither more nor less than the profit which the manufacturer says is a fair profit; is that the definition of the good retailer?—A. I just made that remark, I do not know that I meant the question of good or bad in that connection at all.

Q. As it appeals to you.—A. We believe this, Mr. Chairman, that a retailer cannot exist on a less margin of profit than we have figured on these goods.

Q. You have been in the retail business yourself, I suppose?—A I have, many years ago.

Q. And you know what profit a man should make?—A. I cannot say that I know what every man should make, no; I have a fairly good idea of the general profits and expenses of the retail trade. I made certain investigations during the course of this—I have a list here of the profits and expenses of a retail shoe store. The sales are 100 per cent—would you care to have me read it?

If it is not too long?—A. I will only read the gross figures. Gross profits, 33·1 per cent; net profit, 9 per cent; expenses, 24 per cent. Now, it depends a good deal on the class of store. Some classes of stores might be able to run on a 21 per cent margin, and another would probably be 29 per cent, and as a matter of fact with the prices that we have made for the re-sale price, the store that you spoke of before dinner would be carrying our line at a lower margin of profit than the man who had a store in a cheaper district.

By Mr. Sales:

Q. Do you think a man should make 9 per cent net profit, after paying himself wages, on a turn-over, in the boot and shoe business?—A. I am not prepared to say whether he should or should not, it depends largely on the class of business he is doing.

By the Chairman:

Q. That is just what you are doing, by fixing the price and the rate of profit he should make.—A. I am speaking about the individual store; there are some stores doing a class of business that is a style business, and they probably have to have a larger rate of profit.

By Mr. Sales:

Q. How many times would they turn that capital over in a year?—A. I am not prepared to say that.

By the Chairman:

Q. When you were in the retail business, you turned over your stock how often in a year?—A. The average would probably not be more than three times.

Q. That is 27 per cent, after you have paid yourself wages on your investment?—A. These figures were prepared by the Retail Merchants Association, I think, of the United States, and I am not—

Q. You are not giving them as your own figures. Some retailers consider that they are entitled to a very high rate of profit?—A. Where we got these figures, Mr. Chairman, was in a questionnaire that we issued to all retail dealers who were handling Hurlbut shoes at the time this was inaugurated, and this is a list of questions we sent out.

Q. That would be interesting.—A. It was on the basis of the returns to this that we struck an average of what the retailer's cost of doing business was, and so on, throughout Canada.

By Mr. Milne:

Q. Do you think that if there were about half as many shoe dealers in Ottawa here, that they could sell at a narrower margin than they do?—A. I am not prepared to say that, sir. I am not conversant with it. We really are not closely in touch with the retail trade ourselves, with the exception of this questionnaire that we sent out to try and get an idea of what the expense of doing business was. We know that there is a great deal of embarrassment in the retail shoe trade to-day, financial embarrassment. We know that the trade is not possibly in a healthy condition.

Q. The reason I asked that question it was impressed on me last Saturday, I went to get a pair of shoes and I went to thirteen shops on Rideau and Sparks Street?—A. I don't know whether they can be limited by law but it would be rather a difficult thing.

Q. If you make a substantial profit and they are going to get that through thick and thin?—A. The trouble is I think largely with the retail trade. A man gets a few thousand dollars and he thinks he can start in the retail business probably without the knowledge he ought to have; I think probably that is one of the reasons why a number of the weaker ones are in the position they are to-day, although I cannot—

By the Chairman:

Q. You help that man who has not got sufficient knowledge to carry on business to remain in business by telling the retailer the exact price he must charge, indicating to him the price at which he must resell his goods?—A. We very much prefer to sell to the old established firms.

Q. In touching this questionaire, to how many people did you send this?—A. I am not sure; I think to most of the people to whom our goods have been sold.

Q. How many?—A. I should judge offhand probably five hundred.

Q. How many answers did you get?—A. I am not sure; we had quite a large reply.

Q. Did you get a hundred?—A. I think we got more than a hundred.

Q. Did you get five hundred answers?—A. I am rather sure we did, but I cannot say offhand.

Q. Did you ask any of the consumers whether they like the idea of a fixed price?—A. No, we did not; it is pretty hard to get in touch with the consumer.

By Mr. Elliott:

Q. Have you any figures as to the cost of production?—A. Yes, sir.

Q. That might be interesting?

By the Chairman:

Q. Yes; we probably have exhausted this. Mr. Hurlbut's idea is it is a good thing in his line to have the price fixed?—A. We feel it is not only a protection for the dealer and ourselves, but we do feel it is a protection for the public.

Q. It protects them against too cheap goods and also protects against getting too dear goods. Will you state is that the agreement you ask your customers to sign?—A. Yes.

By Mr. Sales:

Q. What is going to happen to the consumer of your boots like the farmer who has to sell his goods in the open market with world-wide competition with people sometimes who do not wear boots; I have to sell my goods in the open world market in competition, and I have to buy yours at a fixed price; what is going to happen to me eventually?—A. If the farmers' conditions are so bad as that I feel very sorry for them.

Q. I will draw your attention to some figures here to show you what you are doing to this country. This is a summary of the trade of Canada for the twelve months ending March: settlers' effects imported into the country, $6,205,000; settlers' effects exported, $7,971,000. That is what you are doing to this country; you are just driving people out of it as fast as you can because it is too dear a country to live in. If you are more interested in your retail trade, and we have to have the retailer, I admit, but I don't know whether we have to have as many of them—if you are more interested in keeping your retailer than you are in keeping your customer—?—A. What is the solution?

Q. Well, sell your goods to the customer as cheaply as you can?—A. We think we are doing that.

Q. I don't think you are giving him any chance like Eaton's. If he can do business on 20 per cent?—A. He cannot.

Q. I don't think you are doing justice at 35 per cent?—A. Eaton cannot do business on 20 per cent. The only way Eaton or anybody else can do business cheaper than anybody is to buy them cheaper. Eaton's mark-up is probably the same thing as the average retail store, and the only way he can sell cheaper otherwise is to pay a cheaper price than his competitors throughout the district, which is not fair competition, because it would eliminate production of that line. The other dealers could not afford to buy them and could not afford to sell them.

By the Chairman:

Q. Does it ever strike you that the man who can do business on the narrowest margin will in the long run succeed, and the other man will fail, and it hardly makes for economic efficiency in the country to try and maintain trade channels which cost more to get the goods from the producer to the consumer than trade channels which would get them cheaper from the producer to the consumer?—A. Yes, sir, we know that; that is perfectly true so far as it goes; but we believe that our method of distribution has done just that. We believe our advertising creating consumer demand has given us a factory output we would not have got and could not have got any other way, and if we had not got it our costs would have risen on account of our increased overhead.

Q. That is your argument; we understand your position. Let me ask you this question; do you sell anything in the States?—A. No, sir.

Q. Any reason why you do not?—A. Up until the latter part of last year our production was pretty well absorbed in the Canadian market, was absorbed.

Q. Are you looking to the American market to take some?—A. No.

Q. Why not?—A. We believe the Canadian market will absorb our factory production.

Q. Tell us about your costs of production?—A. If you wish me to demonstrate on a few you can see—

Q. All your evidence is going down, and you had better describe it?—A. This shoe here I am describing is No. 3337. We call it patent button with mat top, children's boot. Our total factory cost, the commercial overhead and everything on that shoe, is $2.46.

Q. How is that made up?—A. Do you want the individual items?

Q. Yes; $2.46 per shoe?—A. Yes.

Q. How is that made up?—A. Patent leather vamp and foxing, patent leather vamp we have it independently—we have this figured in sixty pair lots, you can divide it afterwards; will I give it just my figures?

Q. Give it as you have it?—A. $7.24. Foxing $4.52; topping mat calf $19.86; linings $3.36; facings $1.08; back straps 72 cents; a total of $36.78.

Q. For sixty pairs?—A. Yes.

Q. Which is $2.46 per pair—?—A. Oh, no, that is the upper. Then there is what we call findings materials that go into that. I can give them to you individually or run them in small amounts or a total.

Q. Findings, what do they cover?—A. Top facing, button re-inforcement, oak soles that go on the bottom, lifts, lamb's wool insoles, canvas oak counters and oak box toes—items like that; they amount to $44.92; and then the labour and departmental burden.

Q. Let us have the labour?—A. The total departmental labour is $33.70.

Q. What is the departmental labour?—A. Cutting room labour, assembly room, lasting room, bottoming room, inspection—

By Mr. Sales:

Q. That is making the shoe?—A. That is for the direct labour that is charged against the shoe on which there is a piece work basis. The departmental burden is $4.93.

By the Chairman:

Q. What is the departmental burden?—A. That takes in overhead such as foreman who is directly in charge of the room, and other items such as dressings and threads and things of that kind we cannot figure per shoe; it is charged up against the room and pro rated against the number of pairs on an overhead basis; and in that findings there is also $2.45 of labour that is figured in.

Q. Findings is—?—A. $44.92.

Q. Of which—?—A. $2.45 is labour, it is figured in this way, in preparing box toes and counters the items of sixty pair amount to $3.55, but the labour of preparing those to go into the shoe is charged in with the items themselves. Then a summary of that would be $36.78, stored materials $44.92.

Q. Just a moment?—A. Cut materials, $36.78.

Q. Findings which include a small amount of labour is $44.92?—A. Yes.

Q. Labour $33.70?—A. Yes.

Q. And departmental burdens?—A. $4.93; general factory burden is $8.30.

Q. What does that mean?—A. That takes in maintenance charges, fuel, repairs, and all that kind of thing.

Q. What do you say that is?—A. $8.30; royalties per sixty pairs 55 cents.

Q. It is a patented shoe?—A. No; we use United States Shoe Machinery Company Royalty Machines. There is nothing figured in on patents at all. Material cost of spoilt shoes $1.10. That by the way very often runs much higher than that. We run into a bad situation on patent leathers or something of that kind sometimes which runs as high as $5 a case. Then general commercial overhead $15.64.

Q. What is that?—A. That takes in our office, selling, interest, discount, bank charges, insurance advertising and all that. Then we have an item here for bond repayment of three cents.

Q. That is amortizing your debts?—A. Yes.

Q. You should do that out of your profits, you should not put that into your cost of production?—A. That comes in under the commercial end; that does not come into the factory cost of production.

Q. No, but I don't think it should enter into your cost of production as it should be taken out of your profits?—A. It is a small amount, three cents.

Q. On sixty pairs; but I think as a matter of accounting you should not charge that in. That is your redemption of bonds?—A. Yes; that totals altogether $2.46 per pair.

Q. What does the whole thing amount to for sixty pairs?—A. $147.72.

Q. What proportion of direct labour is there, labour that you put $33.70, what percentage is that of the whole?—A. I have not figured it out on percentage.

Q. Try and figure that out for us. We so often hear labour blamed for the high price of things, it is just interesting to know how much labour is in this pair of shoes?—A. A good deal of this is a matter of cost accounting being able to keep your accounts correct; there is hardly any two ways of cost accounting that is alike, and in our departmental burdens, for instance, we use dressings and other things that go into material cost—

Q. But your departmental burden is only $4.93; the operatives' rewards are pretty well confined in that labour $33.70?—A. General factory burden, a man who would do our trucking work from one department to another would go into that, and there are certain maintenance charges that go into that. It is a matter of how you figure your labour cost, whether it is a straight piece work per item that you can tie down to something. What I may say here, direct labour on that is $36.15, and the materials are $36.78, and $44.92 less $2.45—the direct labour that we have figured in as direct labour would run about one-third.

Q. Well, now, you say your shoes cost you $2.46 per pair?—A. $2.60. That is, 5·7 per cent on cost, and 5·4 per cent on sales.

Q. How often do you turn over your stock? You are getting goods out all the time, but how often do you calculate you turn over that capital in the course of a year?—A. You mean in capital stock? Our capital invested was $151,000 and our turnover was $650,000.

Q. Then your total capital will not be in what you might call stock?—A. No.

Q. How often do you turn over your stock, roughly?—A. What is your idea of what I should include?

Q. You should exclude your fixed capital. That would consist of buildings, land, machinery and general equipment. That is your fixed capital. Your other thing is the floating capital. How often would you turn over your floating capital?—A. I presume, in the amount of raw materials that we have on hand at the end of, say, any one year—last year, if I remember rightly, our stock amounted to $204,000, that is, our material stock.

Q. You turn that over how often?—A. Then there is the question of $151,000 capital. Should that come in?

Q. No.—A. I am not an accountant.

Q. I am not either, but I should say what I call your floating capital is the capital you work with—not the capital that you have invested in your machines and in your building.—A. Well, we have $204,000 roughly, and possibly our bank loans run about $100,000.

Q. You possibly would not have more belonging to yourself than something less than your capital stock. You would have borrowed money from the bank. You were trading on borrowed money. What did your building cost you in round figures? I am asking these questions on the understanding that you have no objection to giving the information.—A. There is nothing objectionable about that. I can give you the exact cost of our buildings. I think I have it here. Our buildings, $72,000.

Q. You have a bond issue against them, I suppose?—A. Yes. Our plant, less dies and patterns, and those things, is valued at $87,000.

Q. And the rest of your capital would be in stock—would represent your equity in the stock on hand that you had?—A. Yes.

Q. Would that be a fair way to put it? You say you had $200,000?—A. That was in raw materials.

Q. You owed something on that?—A. Yes, possibly.

Q. You borrowed money from the bank. Perhaps you had given security under section 88 of the Bank Act, but anyway that did not all belong to you?—A. No.

Q. I was wondering whether it would be a correct thing to say that the capital amount of your own money that you had, which you were turning over and over, would amount to about $90,000.—A. It would amount to more than that.

Q. Take your floating liabilities from your floating assets, and then I think you will have it.—A. The excess of liquid over current liabilities would be just $100,000.

Q. Would it be fair to say that that was your trading capital?—A. I am not sure whether that would be fair or not.

Q. How do you feel, gentlemen? Would that be a fair way to compute it, on the assumption that that is fair?—A. Our entire surplus was $151,000, and I do not think it should be taken at less than that.

Q. Except that you had a lot of that surplus in land and buildings which you could not turn over, so call it $100,000.

By Mr. Caldwell:

Q. In your calculation you are allowing for depreciation on your buildings?—A. Yes.

Q. And interest on the investment?—A. No, we do not figure our profit and loss, or our cost system—we do not figure interest on our investment.

Q. It goes into your overhead?—A. Any interest that we actually pay the bank for loans, but we do not anticipate any interest on our investment.

By the Chairman:

Q. Now, calling your trading capital $100,000, then I would say your sales would show how often you turned it over?—A. $650,000, last year.

Q. Would it be unfair to say that you turned over your trading capital about six times? Would that appear to be about right?—A. I think so. I do not know whether that is the method that is used to figure your turnover or not, but it appears—

Q. It appears to be reasonable?—A. Yes.

Q. What was the amount you say that you made on sales?—A. On that shoe, or on our profits for the year?

Q. For the whole year?—A. For 1922 the profit was 3·5 per cent on our turnover.

Q. Then, that would be about 18 per cent or 20 per cent on your trading capital?—A. The total amount of profit was $23,098, to be accurate.

Q. On your capitalization of $151,000?—A. Yes, which is 15 per cent on the capital.

By Mr. Milne:

Q. 15 per cent, and a decimal?—A. Yes.

By the Chairman:

Q. Well now, that is very satisfactory, sir. You are not one of the casualties that the secretary of the Shoe Manufacturers' Association spoke so feelingly about the other night?—A. Not yet.

Q. Now, you have not thought of going to the American market?—A. No, sir.

Q. Because you think the Canadian market will absorb all the product of your factory?—A. Our plant is not very large, and we feel that we had better keep our business at home.

By Mr. Elliott:

Q. Do the American products compete with you in the Canadian market? —A. No, we have not any shoes that are made in the United States that directly compete with us. There is a factory in Rochester that we work very closely together with, that are making a similar line of shoes; I have a sample of them here, that is, they are made on the same numbers, but their output over there has never been very large. They probably make six or seven hundred pairs a day, and our output reaches at times 1,800 pairs a day, and they are not making nearly as good a shoe as we are making, and it would not compete in this market.

By the Chairman:

Q. When did you start business, Mr. Hurlbut?—A. The first organization was in Toronto in 1902.

Q. What was your capital then?—A. Oh, it was very small, hardly anything at all.

Q. Well, it was more than five cents?—A. Oh, yes, I had a little money, but I have forgotten what it was.

Q. Was it $25,000?—A. Oh, no.

Q. Was it $10,000?—A. Probably a couple of thousand dollars. I think I had to borrow most of that.

By Mr. Sales:

Q. In what year?

By the Chairman:

Q. In 1902 he started with borrowed capital of about $2,000.—A. Not all borrowed.

Q. You started with a capital of about $2,000, part of which was borrowed? —A. Yes.

Q. And the money that has gone into the concern since, has it been made out of the concern, or has it been fresh capital brought in from outside?—A. It has been almost entirely money made by the concern, that is, excepting the bond issue when we had to put up a new building.

Q. What was that bond issue?—A. $90,000.

Q. Well, have you ever compared your cost of production with that of the United States?—A. Yes, sir. I have the two shoes here. This is a shoe that is manufactured in the United States, and I think it will demonstrate very clearly how easily a consumer can be deceived on the quality of shoes. Pos-ibly you gentlemen have seen this American shoe and this Canadian shoe together. You would not see a lot of difference between them, but when I tell you that the American shoe was made with a third grade sole pig skin that cost half the price of our shoe, and with a cabaretta top against our calf skin, you can see the saving it might be to the ordinary purchaser of a shoe. It does not give the same wear.

Q. Does it cost the same money?—A. No, sir, that is where it is very misleading in bringing shoes over from the United States on that basis. That shoe there is what we call a See Saw shoe, made in Rochester, New York. I have this figured out on the basis of the cost of materials that we could put into that shoe of an equal quality. I just gave you our cost. This shoe would be $1.93 against $2.46 in our own shoe. In other words, we would sell that shoe for $2.12, instead of $2.60.

By Mr. Caldwell:

Q. The difference would be in the material?—A. Yes.

Q. It would practically be the same for labour?—A. Yes.

By the Chairman:

Q. Can you make that shoe that is made in the States—could you make it in Canada as cheap as they make it in the United States?—A. I do not know what their cost is in the States. I might possibly be able to give you an idea of what their selling price is in the United States. I have a catalogue issued on September 1, 1922, of the See Saw Shoe Company, Inc., Rochester, New York, and I have just been trying to find out what their number is on that shoe in this catalogue. It is rather confusing to me.

Q. Give it as near as you can.

By Mr. Caldwell:

Q. The difference in the cost of the material in the shoes?—A. The material in that shoe cost $20.78, plus $29.24.

By Mr. Sales:

Q. You said that your shoe cost you $2.46?—A. Yes.

Q. And this shoe cost $1.93?—A. Yes.

Q. Well, take $1.93 from $2.46, you have 53 cents a pair. Multiply that by 60, and you get $31.80 less for material.—A. I do not know how you get that. I have figures here that I know are correct.

Q. Your shoe cost $2.46?—A. Yes.

Q. And this American shoe cost $1.93?—A. Yes. $1.16\frac{4}{10}$ is what my figures show for the American shoe.

Q. I am taking your statement, $2.46, and $1.93, and I am taking the difference.—A. $2.46 and $1.93. What do you get from that?

Q. I get 53 cents difference.—A. I think there is an error somewhere.

Q. They are your figures.

By the Chairman:

Q. You see what Mr. Sales is getting at?—A. That 53 cents is spread over your $29.34. There may be some difference in labour there.

By Mr. Sales:

Q. You said the difference was in the cost of material, that the labour was practically the same?—A. Yes, the labour is the same exactly.

Q. And the overhead would be the same.

By Mr. MacKay:

Q. The labour itself, as labour, would be the same?—A. The labour is exactly the same. The difference is that the material in one case cost $36.78, and in the other case, $20.78, that makes $16 of a saving. The material cost in one case $44.92, and in the other $29.24. That is $15.68, is it not?

Q. $15.68 less.—A. Yes.

By the Chairman:

Q. Let me ask you this question. In order to get economic production in the shoe business, how large a unit or factory have you got to have?—A. I do not know that I can answer that.

Q. What is your idea?—A. It is very largely a matter of management. I do not think there is any limit to a certain class of management.

Q. We have people come before us who say that they are unable to compete with the United States, because through the smallness of our consuming public, we must carry on business in this country in smaller units. Now, my opinion is that that argument is likely to be overworked, and has been overworked, and, as a manufacturer who has built up a very nice business from a small beginning, I would be glad to have your views as to how big you need to have a factory before you can get economic production.—A. I do not know that I have gone into that. It depends a good deal on the kind of work you are doing and the amount of specializing you are able to do. Often people ask us why we do not go direct to the retail trade. If we did, we would probably have to take on other lines of shoes in order to make a volume big enough to supply our trade. Probably we would have to make a special line.

Q. How do you feel your production costs compare with the production costs of shoe factories in the United States?—A. We figure they compare very favourably. We really have nobody over there that makes just exactly the same class of goods that we are making. I think our line is a little higher, the best line is a little better quality than anything that I know of over in the States. It is rather difficult to compare the difference.

By Mr. Elliott:

Q. Would the difference between the American price and the Canadian price be due to the quality of the shoe entirely?—A. Well, I found that so in a great many cases. I know during the time the Board of Commerce was sitting, I investigated the situation at that time over there. In fact, I went over there and got shoes from the firm I was speaking of in Rochester, and had them charge me the regular retail price for their line. I got a shoe at twenty per cent lower than the price they were getting at that time. It was a shoe similar to this, $2 against our $2, and on a larger range, they were getting 10 cents more than our price, over in the States. It depends on the surplus leather situation. Sometimes they would probably be cheaper. Other times they would be dearer.

Q. Do you have to pay duty on the leather you use?—A. We buy very little material in the United States. We buy it in Canada. On patent leather you have to pay about two cents a foot more in the States than in Canada.

By Mr. Caldwell:

Q. You should not need a high duty on shoes to protect you against the American shoes selling at a higher rate there than they are here?—A. You mean for us personally?

Q. Yes?—A. We have never figured on that in figuring our costs of distribution.

Q. You do not think it would make any difference if the duty was taken off shoes?—A. It does not, in-as-much as we can create a consumer's demand for a high-grade quality. If we are able to do that, by being able to eliminate the bad features we had developed last year, I do not think that on a line that is advertised, such as ours, it would make a particle of difference.

Q. A line of goods of high quality does not need any protection?—A. I am only speaking about our own shoe. I do believe that generally speaking our Canadian shoe trade would not be able to stand up—

By the Chairman:

Q. We have had all this evidence of inability. We have had that until we are really tired of it. Can your own business stand on its own footing?—A. Provided you gentlemen do not interfere with our fixing the prices. We are making a high grade shoe and we are telling the people of Canada we are making that shoe. Apparently they believe that, because they bought at least 250,000 of them and they did not absorb 150,000 last year, which we should have sold, if this situation had not developed.

By Hon. Mr. Tolmie:

Q. You stated the American shoe was made in Rochester similar to your shoe and it was made for about fifty cents less?—A. Yes.

Q. But we understand if the duty were removed entirely, you would not feel the competition from that shoe?—A. I did not say what it was made for. I said we could make them for much lower than that if they were made of the same quality.

Q. You said the shoe was so superior in appearance, the ordinary customer would not know the difference?—A. We would not put out a shoe like that under any consideration, because it would ruin our trade. Under our policy of advertising, we are saying that we are giving a certain quality and value. If we put that shoe out, it would not be six months before our business would be gone. During the war, on account of calf skin going up to $1.50, we tried substitutes and it pretty nearly ruined us. We had shoes coming back so fast we did not know where to turn.

Q. If the tariff were removed, it would not interfere with you?—A. I do not believe it would, for our own particular business, under the conditions under which are operating to-day.

By Mr. Sales:

Q. You would rather fix your resale price and keep the tariff on?—A. I would rather be able to protect our dealers throughout Canada against unfair competition by men who fail. It does not do us any good, or it does not do the consumer any good.

By Mr. McKay:

Q. Do all the boot and shoe manufacturers in the Dominion of Canada direct the prices?—A. I do not think so.

Q. Do all the manufacturers of the higher grades of boots direct the prices?—A. I am not familiar with the policy of any other manufacturing company in Canada.

Q. In regard to the direction of prices, I think that all political parties in this country are committed to the direction of prices. We take school teachers in the province of Ontario here, the salary of every school teacher in the province of Ontario, from the kindergarten up to the high school is directed by Government control.

The CHAIRMAN: That is not the way in Quebec.

Mr. MCKAY: The Government pays so much on condition that the ratepayers pay a certain amount. Even under that we have a combine, which is contributed to by a large percentage of the teachers, so that if a teacher thinks he or she has been misused by a body of trustees, they walk out, and there cannot be proper adjudication here, knowing the people will take that position.

Mr. CALDWELL: That is one teacher walks out. They do not have a sympathetic strike.

Mr. MCKAY: One teacher walks out. Now there is direction of prices right from the Education Department in the province, under the Government by farmers and the late Conservative Government and the late Liberal Government. Now, we will take ocean rates. I know every man in this audience would like to see ocean rates directed, ocean rates formed and fashioned by some Board, which would, I suppose in a measure, be directed contrary to the views held by some of us. Now, I have a little article in my hand, and I will just read it. There is no necessity of putting this on record (reads article.) Now we have been talking about potatoes down in New Brunswick.

The CHAIRMAN: We have heard something about that.

Mr. MCKAY: We want direction there. We want control.

The CHAIRMAN: I want prohibition.

Mr. MCKAY: I know in the province of Ontario you dare not go to a newspaper and advertise teeth. You dare not hang out a sign. You would get one warning, and if you did not draw in your horns, you would lose your diploma. There is a centralized control among the profession.

Mr. SALES: When you come into the world you face the medical combine and when you go out you face the undertaker's combine; it is all the way through.

Mr. MCKAY: I have a book in my possession relating to a conference of farmers held two months anterior to the breaking out of the war at ancient Rome, and the price of wheat was discussed at that conference. Why, the United States tariff to-day, in regard to shipping out our grain and so on, is along the same line. You get difficulties under free trade protection, or any form of Government, and you will have that until the end of time. All you can do is to attempt to control.

By the Chairman:

Q. I was going to ask a question, why Mr. Hurlbut did not make more boots for grown up people along the same principal lines as the children's boots.—A. We are trying to get enough money now to finance a man's proposition as well as women's, also for a staple line of high-grade shoe that would be a really comfortable shoe, but we did not make enough money to do it.

Q. I think the people who put out boots of that shape confer a real blessing on humanity.—A. That is why the women of Canada are willing to pay the price we ask, and it is a high price, but we are not making exorbitant profits, nor is the retailer nor the jobber, under our system. The retailer is making 23 per cent mark-up.

By Mr. Sales:

Q. You said you did not make enough money last year. You made 15 per cent?—A. Yes.

Q. Over and above paying wages and so on?—A. A great deal of that is utilized and a great deal more of it is spent on fixed assets, on putting our new building up.

The CHAIRMAN: I think Mr. Hurlbut meant he did not make enough to develop as quickly as he would like to.

Mr. MCKAY: There is a very strong article here on the direction of prices.

The CHAIRMAN: Should we take that up here?

By Mr. Caldwell:

Q. I think you gave us the amount of capital you started with, and the amount you have now. Have you given us the amount of dividends you paid?

The CHAIRMAN: I suppose they put it all back.

The WITNESS: Of course I would be very glad to. It has all gone back, with the exception of a very small amount. I think I have it here. I do not appear to have it, but a lot of people, especially our friends the retailers, think Hurlbut and Company make millions of dollars in the manufacture in shoes. I am going to give you our profits since 1911. Our net profit in 1911 was $5,000, 7·17 per cent of our sales, which were only $71,000.

By the Chairman:

Q. On a capital of what?—A. I do not know what the capitalization was at that time.

Q. You know that is rather an important factor in the situation.—A. It was not very much. I think it was $15,000, so we did not do so badly.

Q. What did you do on $15,000?—A. 7·17 per cent.

Q. On your sales, but what was the amount of money you made?—A. $5,000.

Q. That is 33⅓ per cent?—A. Yes, I will give you the whole thing. I am sure you gentlemen would do the same thing with your business when it was prosperous.

By Hon. Mr. Tolmie:

Q. What was your salary that year?—A. I do not remember in 1911. It was not very much.

Q. Your salary was taken before this was declared?—A. In 1911, I think I was getting about $3,000 a year.

By the Chairman:

Q. Pardon me for a personal question, but the judge has always the right to ask the witness. How old are you?—A. Forty-five.

Q. Is G. P. Hurlbut your father?—A. No. He is my younger brother.

Q. You put him in as President and yourself as Secretary and Manager?—A. Secretary-Treasurer. I always like handling the cash.

The CHAIRMAN: We quite understand that.

By Mr. Caldwell:

Q. What salary does your President get?—A. I think $6,000 to-day. In 1912 it was 7·45 per cent.

Q. On your sales? Your total profits for the year?—A. $6,700.

By the Chairman:

Q. And your capital would be the same?—A. I am not sure what our capitalization was. I have not got the statement here. I did not think of giving you this. I must have overlooked this.

Q. Well, go on.—A. 1910 8·35 per cent.

By Mr. Sales:

Q. Wasn't that 1913?—A. 1913.

By Mr. Caldwell:

Q. What was your total net profit?—A. $8,000.

Q. Had your capital increased very much?—A. We had practically taken nothing out in dividends at all.

Q. You kept them in as capital?—A. In all these years there has not been a thousand dollars taken out, or there might have been a thousand taken out, or something like that for my brothers or sisters. In 1914 8·2 per cent, $8,000. In 1915 7·77 per cent, $11,000. In 1916 4·96 per cent, $10,000. In 1917 4·25 per cent.

Q. What was your total figure?—A. $12,000.

Q. You do not know what your capital was that year, it was increased by these amounts each year?—A. Yes.

Q. There was no fresh capital going in?—A. No fresh capital going in. In 1918 2·75 per cent, $8,000. That was on $291,000 of business. In 1919 3·21 per cent, $15,000. As the business grew our profits have kept growing less and less.

By the Chairman:

Q. Mr. Hurlbut, your profits calculated on your gross turnover are less; but that does not mean that your earnings on your net capital are less?—A. No. But you have to grow fast enough to take care of your extensions.

Q. Do not think I am criticizing you.—A. Anyway, there is no water in this stuff.

By Mr. Sales:

Q. What was it in 1920?—A. In 1920 it was 2·44 per cent, $13,000 on $566,000 of business. I am not giving you the odd figures. In 1921 3·8 per cent, $20,000 on $536,000 of business. I have given you 1922.

Q. 3·5 per cent and $23,000 on $650,000 of business.—A. I think you have not very much complaint with us on this account.

By the Chairman:

Q. No. We are very much obliged to you indeed. Have you anything else?—A. I can give you some information about the American shoe industry. I produce a shoe here. In the United States they are selling this shoe to the retail trade at $2.65. At the same rate of profit and the same retail cost we could produce that shoe here and sell it for $2.60, 5 cents a pair less than it is being sold for in the United States, 23 per cent of our cost of distribution to the jobbers would bring it exactly to $2.60.

The CHAIRMAN: That is very satisfactory. You are excused from further attendance. We are glad to have met you, and to find out that there are some manufacturers who are prepared to stand up against American competition. We will now hear from the retail shoe man whom Mr. Grimmer said wished to be heard, or that we asked to come.

Witness retired.

Mr. E. N. TROWERN: Mr. Chairman and gentlemen: As Secretary of the Dominion Board of the Retail Merchants' Association, I am appearing before you to-night to state that we thought it desirable as an Association (The Retail Merchants' Association of Canada) to lay before you certain facts.

The CHAIRMAN: Do you want to be heard now?

Mr. TROWERN: Two of our people wish to be heard. We are coming before you to present evidence on behalf of the retail trade. A statement was made

by Mr. Bowman, of the Mutual Life Association, before your Committee, to the effect that someone had purchased shoes at $3.22 and sold them to a customer for $8 a pair. That is such an exceptional case among the retail trade that we thought, as it was advertised very fully all over the country, that we did not want any reflection cast upon the retail trade, consequently we have asked your Committee to allow us to produce evidence before you refuting such statements as that. We have enough to account for, in the way of public opinion throwing bricks at us, without having these reflections made by a person who may or may not know something about the boot and shoe business.

The CHAIRMAN: I think that is a somewhat unnecessarily harsh way of putting it. Mr. Bowman made an assertion which he believed to be true, of a specific instance. I think he was speaking in good faith, and he may have been accurate in his statement. There is no necessity for thinking that his remarks were a general charge against the retail merchants. That was not his intention, and it was not his statement.

Mr. TROWERN: I am very glad to hear that, Mr. Chairman, because we deal with cases of that kind. When we find a retail merchant trying to injure the public, we take the matter up and deal with him. I would like you to hear Mr. Stephens and Mr. McElroy.

The CHAIRMAN: All right, we will hear from Mr. Stephens first.

EDWARD A. STEPHENS, called and sworn.

By the Chairman:

Q. Mr. Stephens, what is your full name?—A. Edward Alfred Stephens.

Q. You are in the shoe business, I understand?—A. Yes, sir.

Q. You carry on business on Sparks Street, in the city of Ottawa?—A. On Sparks Street, Ottawa.

Q. You are here I think to give a certificate of good character to the retail boot and shoe trade; is that the idea?—A. To give them a clean bill of health.

Q. Proceed in your own way.—A. I was told to bring up some invoices. I have no particular statement to make, Mr. Chairman.

Q. We did not summon you, Mr. Stephens. We heard you wanted to be called, and we asked you to come. Perhaps I should not say we did not summon you. One of our members requested that Mr. Trowern and yourself and another gentleman should be summoned.—A. Yes.

Q. Apparently evidence had been coming before this Committee which was thought by some to reflect upon the retail trade in general, and I presume it was with that idea that these gentlemen, possibly at the request of your energetic Secretary, moved our Committee to call you. That being the case, we hardly know upon what line to proceed, because on the face of it everyone is thought to be innocent until they are proven guilty, and there is no reason for us to think you are charging too much for your shoes. I have a pair that I bought from you. I will show them to you, and I will tell you what I paid for them, you can then tell me what you paid for them, and that will start things off. I have a pair of Reed's cushion shoes made by J. and T. Bell.—A. Yes, and you paid $11 for them.

Q. I paid $11 for them, what did you pay for them?—A. We paid $7.35 plus the tax. We figure 5 per cent for the tax, and that covers the freight charges.

Q. That would be how much?—A. 37 cents.

Q. That makes $7.72, and you got $11 cash?—A. Yes.

Q. That is a difference of $3.28?—A. Yes.

Q. A gross profit of almost 50 per cent. Do you think that is a fair profit to exact from the consuming public?—A. I certainly do.

Q. Is that your usual spread?—A. No, sir, that is not our usual spread.

Q. What is your usual spread?—A. Our usual spread will run anywhere from 25 to 33⅓ per cent; that is, taking a profit on your selling price, a spread or a mark-up of anywhere from 25 to 50 per cent.

Q. That is your mark-up?—A. Yes.

Q. You consider that fair and right? A. I will tell you why I consider it fair and right, and perhaps you will agree with me. In the shoe business, you put in a line of shoes, the very shoe you are wearing; perhaps this year we buy 60 or 100 pairs of that shoe, and we may sell 70 pairs only out of 100. The demand for that shape of shoe stops, and we have 30 pairs left on our shelves. We have to scrap them at $4.95 or $3.98. Fifty per cent of a mark-up sounds big to the public, but when you figure up the losses in the shoe business—perhaps we have more of them than many other businesses—when it is all boiled down the net mark-up is not anywhere near the gross mark-up.

Q. You have to take the expense out?—A. I am only one individual merchant. Probably there are stores where they are not doing the same class of business, where they may not have to deal with the same difficulties. Where you are dealing with these novelty shoes, fancy shoes for women, you have to figure on a big loss.

Q. If you could only stabilize the price, there would be a big difference?—A. If we could only standardize and stabilize we could do much more business and do it on a better margin than we can at present. At present we are not making a cent.

Q. What about the change in styles?—A. Men's styles remain much more stable than women's.

Q. But still there is a change?—A. There is a change.

Q. Where do the changes in styles originate?—A. In Paris and London. They are brought to New York, adapted to the American idea, and we have to follow the American styles.

Q. If we could only develop a truly national sentiment that would stabilize upon one reasonable shape for shoes, we could save a lot of money to the Canadian people?—A. I think so. Although we are so closely identified with the States in regard to our styles, we are developing a style of our own. Mr. Hurlbut's shoes are developing along styles of their own, and we have other styles.

Q. What do you think of developing that style in men's shoes?—A. I am not referring to the construction of that shoe. You can find in every set of samples similar shapes of shoes. With the average man it is the eye you have to please instead of the foot. Take that shoe and work it up to an eight or a nine, and it would be an awful looking splash on your foot. You were asking about Ritchie's shoe when Mr. Warrington was here, and I though you might ask me some questions about his shoes and his prices.

Q. Mr. Stephens, we do not start off with the idea that you are a profiteer.—A. No, and I do not think I am.

Q. Your evidence may completely convince us that you only ask a fair trading profit. But that does not meet the objection that there are men in your line of business and other lines of business who do ask exorbitant profits. let me give an example. We would like to see our woollen men do better. I was told by a man in whom I have complete confidence that a certain firm in Montreal produce blankets at $8 a pair. That

is the price they are sold at to a large departmental store in Montreal. I would have thought that if that store had put a mark-up of 50 per cent and sold those blankets at $12 they would have a fair profit, but they were put on sale at from $8 to $18 a pair. That was a case of retailers, I will not say getting a bad name, because I do not think they have a bad name, but there would be an impression that there are many cases of extortion.—A. It was just for that reason that we asked to be heard at your inquiry, because that impression went broadcast in the papers, that this man up West had bought those shoes at $3.22 and sold them at $8. That is certainly not a general thing in the shoe business. I could perhaps instance more cases where dealers have done a legitimate shoe business; but as to being profiteers, I say it is not so. We are all in business to make more than a living. The farmer in the West wants to pile up a bank account and wants to save money.

Q. He may want to but cannot?—A. That is the trouble with the shoe business too; we want to save money but cannot.

Q. What do you think of this price fixing; how does it appeal to you as a capable merchant, as a system?—A. Take cameras, fountain pens, safety razors and so on, they are all price-fixed. I do not object to that, if the profit is a fair margin. I do not want price fixing at an exorbitant profit. But with a fair profit I believe in it.

Q. But does it not interfere with your capacity as a merchant buying at a close figure and selling again at a figure which will give you a profit, which will make your goods move and move faster?—A. As a rule these fixed prices are so fair that one cannot have much objection to them.

By Mr. McKay:

Q. Do you think they would all stand the Combines Act?—A. I could not tell you, I am not sure.

By the Chairman:

Q. I had a gentleman in my riding say this to me the other day: " I was in business in New York, but I am now in business in Canada. When I was in business in New York I could go from wholesale house to wholesale house and could use my knowledge and shrewdness and buy one thing in one house and one thing in another, and make my turn-over. But when I come to Montreal I find there is very little room for the exercise of my talents as a buyer. If I go to one wholesale house or to another, or to a third wholesale house, I find the things I have to buy practically the same in all these houses, and I have not the field for my capacity as a buyer which I have in the United States."—A. As far as my knowledge goes—and I have been in the shoe business for 30 or 32 years, and our business has been in existence 55 years—I have as yet to run up against a house where the price is fixed aside from Mr. Hurlbut's, either to the dealer or to the public. I think our Canadian factories at the present time are working out their own prices, in fact I am certain of it. There is no price fixing there.

Q. I am just asking your views about price fixing.—A. In Mr. Hurlbut's case, which is the only one, I have agreed to sell at a price. I am one of his dealers, and I have agreed to sell at a price, and it is a good thing, because children's shoes—I don't care whether you take rubbers, running shoes, or anything else along that line, it seems the dealer wants to cut everything out of them, they will take their cash discount as their profit.

Q. If they do that, what harm does it do to the nation as a whole?—A. It does not do any harm to the nation as a whole, but it hurts the retailer who wants to make a living. You cannot sell goods for what they cost you and remain in business. The result is that right in Ottawa I simply gave up selling Mr.

Hurlbut's shoes for a while. When his traveller came around I said to him, No, so and so is selling goods at what they cost, and I do not want to handle your shoes.

Q. Will the price fixing of Mr. Hurlbut's shoes in its result cause the people of Canada to pay more for that shoe?—A. They will pay less.

Q. How do you make that out?—A. Well because he figures some of his shoes down as low as a mark-up of 33⅓ and 40 per cent, and less than that on some of them.

Q. You told us a moment ago that before this price fixing started people were selling these Hurlbut shoes at practically what they cost them, taking their price discount as their profit?—A. It was not a matter of advertising, although there may have been a certain amount of advertising they thought they were getting out of it, but it was a matter of trying to undersell the next fellow, and I don't know that it did them any good in the end. I don't think it did.

Q. Your view is that in the long run it will not cost them more for their Hurlbut shoes?—A. No, it is costing them less at this moment. A great many stores that were figuring a 50 per cent mark up on these shoes are taking Mr. Hurlbut's prices and selling at them and averaging, the whole run, from the baby sizes up to the girls', not more than 40 per cent, and those dealers were ready to cut down their prices 10 per cent to meet his views, because they would then know that their competitor was on an even competition with them.

Q. Take that Gillette razor. What is its price?

Mr. HAMMELL: 98 cents.

The WITNESS: That is the obsolete pattern. That is the reason they are selling it out at that. But take the $5 razor.

By the Chairman:

Q. Does it cost anything like that to make?—A. The $5 razor as far as I can remember, costs the dealer about $3.25. I am not familiar with that but I was told that was the cost and I guess it costs the manufacturer only a few cents to produce it.

Q. Can you defend that price fixing?—A. Well, you take your fountain pen, the Waterman; you go into any stationery store or drug store and there is a little tag around that pen showing the price, and if you are known to sell for less than that, they take them out of your store.

Q. Do you think that results in the people of Canada getting cheaper or better fountain pens?—A. I think it gives them fountain pens at a fair price. That is my judgment.

By Mr. Caldwell:

Q. Do you think the $5 retail price is fair for a razor that only cost the manufacturer a few cents to make?—A. I don't think it is. But getting back to shoes, I think you have been told to-night by Mr. Hurlbut that he is getting a fair profit on his shoe for himself, and he is giving it at a fair price to the dealer, and the consumer is paying a fair price, because it is a good shoe. Of course it is Mr. Hurlbut's baby, and he may think it is the only good shoe in Canada, but there are a few other good shoes besides that.

By Mr. Milne:

Q. How do you compare the mark-up on the rest of your stock with that on the Hurlbut shoe?—A. On the average it would be about the same.

Q. You ought to handle his cheaper when there is no change in the style and on account of not much dead stock and so on?—A. There is not much

dead stock. I have been handling Mr. Hurlbut's shoe ever since he started to produce it, and we may have had in all that time a dozen pairs that we have had to call dead stock.

By the Chairman:

Q. Then Mr. Milne's suggestion that they should be handled on a lower margin than your ordinary stock is a good one?—A. I am speaking of my average mark-up, but it is on children's shoes particularly, in the shoe store, it has been my experience that you cannot get the mark-up that you can on adults' nor we dont' try to; your stock is more staple, and therefore there is never as much dead stock in your children's, misses', boys', and youths' lines as there is in men's and women's, and I always figure my mark-up on those lines lower than I do on the other lines.

Q. Then the mark-up you make on your other lines of children's and misses' shoes is about the same?—A. About the same yes, sir.

By Mr. Milne:

Q. Another question if it is not too personal. What capital is invested in a stock in one of these stores such as yours?—A. I have not got the figures, I did not think I was going to be asked that, but at the present time I think my capital is about $60,000.

By Mr. Sales:

Q. Don't you think, Mr. Stephens, that they could do with about three or four less boot shops on Sparks Street?—A. I think so, but I would not want mine to be one of those eliminated.

Q. But you are not doing business to your full capacity?—A. No.

Q. Not by any means?—A. Well, I will tell you, I don't think there is a shoe store in Canada from coast to coast at the present time doing business to its full capacity. Some sort of germ of disease has got into the shoe business that has crumpled it up, and I don't think there is more than three or four really solvent shoe factories in Canada at the present minute. I think what Mr. Weaver told you the other night is the truth.

Q. He swore to it.—A. But you are quite right that not only shoe stores are not working to capacity, but you can go down Sparks Street and find ready-made clothing stores at almost every second store, and I think at the present time there are too many in each line of business.

Q. In your store with yourself as manager and with the assistants that you have, could you not handle three times the business you are handling?—A. Yes, without our overheads going up very much we could at the present time handle a good deal more, and I think that is the story of any store in this country at the present time.

Q. If you could do that, then you would not need a mark-up of 40 per cent?—A. No, if I could treble my business, I could run on a lower margin and make more money. In the same way, you asked a question about the production of the shoe factories in Canada; if the shoe factories in Canada could increase their production five or six times what it is, they could produce shoes cheaper.

Q. Then is it economically sound for a nation having too many people in business, to fix prices so as to keep them in business?—A. Well, of course, I don't know whether price fixing generally, take all the lines I handle—whether price fixing generally would be economically sound. I don't think it would.

The CHAIRMAN: I do not think there is very much difference between you and the members of the Committee, Mr. Stephens. We are very glad to have had the benefit of your views.

Witness retired.

APPENDIX No. 3

JOHN WILBERFORCE MCELROY, called and sworn.

By the Chairman:

Q. What is your full name, Mr. McElroy?—A. John Wilberforce McElroy.

Q. Then you will have great sympathy with freedom?—A. Yes, sir.

Q. What business are you in?—A. The retail shoe business, sir.

Q. Is your store situated in Ottawa?—A. Yes sir, in a residential district, on Bank Street.

Q. And you are here to proclaim that the shoe dealers in Ottawa do not take extortionate profits?—A. I am sir.

Q. Have you any other observations to make?—A. The main reason that I am here, sir, is to give some evidence against the statement made by Mr. Bowman, who said he could cite innumerable instances. If he had left that out it would not have been so bad. I know there are instances where shoe dealers, like dealers in everything else, even bankers, will exact an exorbitant profit.

Mr. CALDWELL: Oh no, not bankers?

Mr. SALES: We have had the implement men telling us that they would not do such a thing.

The WITNESS: Well perhaps they sin like the rest of them. But Mr. Bowman says: "I could cite innumerable instances." That rather caught me on the raw.

By Mr. Caldwell:

Q. Mr. Bowman covers a lot of territory?—A. Quite so sir.

Q. And you have seen some instances have you, of that kind?—A. Yes sir, I have known instances, but I would like before I would take that statement of Mr. Bowman's exactly as he gave it, to know the shoe, and the man who sold it, and the circumstances of the man who sold it in the first place.

By Mr. Sales:

Q. Tell us of the instances you know?—A. I know an instance where a firm was very hard up for money, and they had a large quantity of shoes in their warehouse, and they sold them for spot cash at very very much less than it cost them to make them.

Q. Any particular hardship about that?—A. Well they were financially embarrassed to such an extent that they required a large sum of money, and they sole 1,800 pairs of shoes which cost them from $3 to $4 a pair to manufacture, for $1.50. Now the man who bought those shoes took them to a certain town in Ontario and he sold them all the way from $4 to $6. Now he was giving the people value for their money but of course he was making an immense profit out of the distress of the firm from whom he bought them. Now I don't know the case that Mr. Bowman states; I don't know the man's circumstances or who made the shoe; that shoe may have been worth $5 although he sold it for $3.20. I cannot tell. You see the point I wish to make?

By the Chairman:

Q. Yes?—A. I have some invoices with me showing the prices I pay for shoes and the prices I sell them for. I do not know that you want that.

Q. What is your usual mark-up?—A. From 25 to 33⅓ per cent; possibly 35 per cent.

Q. Suppose you bought a pair of boots for a dollar—to take an arbitrary figure—would you mark those up more than $1.35 or up to $1.50 occasionally? —A. Well, a shoe for $1 would cost you probably $1.07 laid down in your store, or $1.06.

Q. Call it a dollar laid down in your store to make the computation easy? —A. It would be a child's shoe, and I would probably mark that $1.35 or $1.40. I am in a residential district, doing, not a large business, and I can afford to sell that shoe for probably $1.35 or $1.40, if it is a shoe that will not go out of style.

Q. And if it is a shoe that would go out of style?—A. I would have to mark it $1.50.

Q. So your mark up is practically the same as Mr. Stephen's?—A. Yes.

Q. From 25 to 50 per cent?—A. Yes.

Q. And I suppose your reason for marking goods up as high as 50 per cent is because you may be landed with dead stock?—A. Yes.

Q. And have to sell a shoe for $4.98 which should sell for $7?—A. Yes.

Q. Tell us why when goods are marked down the figures are usually $4.98 or $3.99 instead of $5 or $4? That is a mystery that I would like explained? —A. I don't know that I can explain it, except that $3.95 sounds very much cheaper than $4. A great big 3 and then a small .95 looks very much better than a large 4. But to be candid with you I don't follow that practice myself of marking it $4.98. If I was going to mark it $3.95 I would mark it $3.95 and not $3.98.

Q. What do you think of price fixing, do you like the idea? How would you like to have all the stock in your store marked by the manufacturer, with the understanding that if you did not sell at the marked prices, the established prices, that you would not get any more goods?—A. Well, I don't know, sir; I don't think I would like to have everything in my store marked in that way. It would take all the individuality out of my business. I don't mind having a standardized line that is practically trade-marked, like a Hurlbut shoe. I sell Hurlbut shoes. I don't mind a line like that being marked.

Q. I suppose you think the Hurlbut shoe has indicated a fair difference of price between the wholesale and retail?—A. Yes, I think so. I don't think it is out of the way.

Q. But you would not like that system to be carried out to its logical conclusion?—A. Well, no.

Q. If you carried it out to its logical conclusion would it not make the retailer a mere agent or clerk?

By Mr. Sales:

Q. Make him an office boy practically?—A. Make him an automaton.

By the Chairman:

Q. Has not a great deal of the initiative and progress of all nations and certainly of the English-speaking nations come from the shopkeeping people, and their ability to overcome difficulties?—A. A great deal, sir.

Q. Then in the national interest can we look forward with equanimity to having the prices set for everything?—A. No, sir, I don't think so.

Q. Then you see there is very little difference between you and the members of the Committee.

Mr. McKay: There may be some things in which it is advantageous to have the prices fixed. For instance, school-books.

The Chairman: That is for the purpose of making education cheaper.

Q. Have you any statement that you want to make which you think would help us?—A. No, sir, nothing more than what I said. Like Mr. Stephens, I made out a list of prices, but you don't require that. I brought a list and copies, of invoices.

Q. No, you know the French proverb, "Qui s'excuse, s'accuse". That is, the man who excuses himself is accusing himself. You don't want to do that?—A. No, sir.

Witness retired.

E. A. STEPHENS, recalled

By the Chairman:

Q. Mr. Stephens, let me ask you a question out of turn. You sell the Regal shoe?—A. Yes, I did, but like a lot of these other unfortunate factories, the Canadian Regal shoe has failed. They were at one time a branch of a parent company in Boston, and three or four years ago they separated, and paid a royalty. They changed their name to the Corson Shoe Manufacturing Company, and paid a royalty for every shoe they branded Regal; but the Regal shoe has failed and there are no more shoes branded Regal. You were asking me about their prices being set; that was done quite a few years ago, but when prices started to rise they stopped it. At the present time it is a difficult thing to fix prices and it is a dangerous thing for the dealer, for the manufacturer to brand a price on the sole, because you can't tell whether the market is going to drop or go up. It has been like that for the last few years.

By Mr. Sales:

Q. Where is the Douglas shoe made?—A. Near Boston, in Brockton.

Q. And the Slater?—A. It is made in Montreal, but not by any of the Slaters. There is not a Slater in the shoe business to-day.

Q. Was it an American shoe?—A. No, it is a Canadian shoe.

Q. Because I had the same experience with the Douglas shoe and the Slater shoe in the Old Country as I had with bacon and cheese and all the rest of it.

The CHAIRMAN: You found them cheaper over there, did you?

Mr. SALES: Yes, I found the Douglas and Slater shoes that sell here at $5 were sold for 12s. 6d. in our English shoe shops. That is practically $3 in our own money.

The CHAIRMAN: Well, we cannot visit the sins of these people on these gentlemen but it is an interesting fact. I think we have another witness to-night.

Mr. SALES: Yes about the cattle business.

Witness retired.

NORMAN SOMERVILLE, called and sworn.

By the Chairman:

Q. You are going to tell us something about the cattle business?—A. I want to bring to the attention of the Committee one of the problems in the handling of the live stock industry of Western Canada, and a suggestion that may be of some value to the Committee, or that the Committee might make some use of.

Q. Just tell us first of all where you come from, and what you do?—A. I am as Director of the Edmonton Stock Yards, and as such represent them as counsel. I practise law in the city of Toronto.

Q. What is your firm?—A. Norman Somerville and Company. The raising of the embargo upon the shipment of stockers to the Old Country has been of

particular interest to the producer in Western Canada, and he has been looking for the most direct route for placing his cattle on the Old Country market, as one means of getting the best possible price for his product. For many years the embargo prevented the shipment of stockers, and only allowed that stock to be shipped which could be slaughtered within seven days, as you gentlemen know. Therefore, the quantity was limited, the number of persons engaged in the traffic was more or less limited, and it was somewhat speculative, because it depended upon the condition of the market during the seven days which the cattle were in the Old Country. The facilities provided were not very great, but the quantity supplied was not more than the facilities that were provided. The cattle were shipped to Montreal, and from Montreal shipped to the Old Country. A rate was fixed for all cattle west of Fort William, and equallized rate for the ports of Montreal and Quebec. There being no facilities at Quebec for loading cattle, and no stockyard, there were no shipments from Quebec, so that the shipments have practically all been made from the port of Montreal, or St. John, or the American ports of the northern part of the coast. The lifting of the embargo and the possibilities of the traffic have increased the market to a very large extent, and naturally it will require greater facilities than are now provided. As a result of the position, there has been a number of Old Country buyers have come to Canada. The trade is not speculative, because the stock is being sold right here, payable in Canadian funds, and disposed of before it leaves our shores, but the necessity of conserving the cattle to the greatest possible extent is becoming very apparent to all the western farmers, and to the exporters, and so they are desirous of shipping through the port of Quebec, on the same terms as through the port of Montreal. As a result, the port of Quebec is equipping the harbour with the necessary facilities, which will be in operation by the end of the month, and you will have observed from your maps—I have just picked up a cople of maps here which you might like to have to put the situation before you. If you will just look at the map, you will notice the very direct route there is from Winnipeg to Quebec by the Canadian National Railway.

By Mr. Sales:

Q. How much shorter is that?—A. It is 62 miles shorter to Quebec than by the C.P.R. line to Montreal. In other words, you could get your cattle 172 miles nearer the market, with 62 miles less of a rail haul, or a saving of 232 miles in mileage before putting them on your ship.

Q. What does that amount to in hours?—A. That means first of all, on the rail haul alone a difference of 18 hours from Winnipeg to Quebec direct by Canadian National, over Winnipeg to Montreal by either of the routes.

Q. You save 18 hours?—A. You save 18 hours. The route to Montreal takes 90 hours as an average, many times more than that.

Q. From Winnipeg?—A. From Winnipeg to Quebec it is 72 hours. Now, the Old Country importer and the Canadian exporter figure that the shrinkage on a stocker from Winnipeg to Montreal represents about 100 pounds a bullock, from 90 pounds to 100 pounds a bullock, and the shrinkage by handling in the harbour at Montreal and down the river through the hot weather, brings it to considerably over 100 pounds per bullock, so that he figures that the shrinkage is approximately 20 per cent more by way of Montreal than it would be by way of Quebec, or that the saving of 18 hours rail haul, or 24 hours ship's run would effect a saving to him in shrinkage of at least 20 pounds a bullock.

Q. Let me get that clear. That 24 hours ship's run is from Montreal to Quebec?—A. The 24 hour shift is from Montreal to Quebec. You see, the

method of shipping cattle from Montreal and from Quebec is as follows; the cattle are first of all brought to the stockyards at Point St. Charles or the other yard. They are unloaded and fed and then loaded on to the cars again and taken to the sheds at night. There are no facilities at the sheds themselves, but runways are set up and they are run on to the boats during the night, when the other freight is not moving.

Q. Where is this?—A. At Montreal; with the result that whether the ship is sailing in the morning or the next night, the cattle must be on board from 12 to 24 hours, and in that time, in the heat of summer there is a very consirerable shrinkage in the cattle in the hot port, below decks or between decks, so that the shipper is desirous of avoiding that if he can possibly do so. He has the facilities now being provided for at the harbour of Quebec, in which he does not go to any stockyards at all ,but runs straight on to the dock and on the dock unloads to the shed which will be equipped for a capacity of 100 cars; equipped with pens and loading facilities for 100 cars of cattle. The cattle will remain there during the two days provided for by the regulations for transportation to the Old Country, and they will will rest and be kept in the best of condition, under ideal conditions, and they will then, just an hour or two before the boat sails, be placed on the boat, right at the same dock, so that after reaching Quebec they do not travel more than 20 or 30 feet on to the boat, and in an hour or two they are getting the benfit of the cool water and the sea breezes. The effect in saving was very well explained by two of the shippers last night at Quebec. Talking with Sir Henry Thornton, Mr. Kennedy, who is the largest shipper of cattle in Canada, and Mr. J. T. Irwin, who is the largest importer of livestock in the Old Country, both made this statement to him, that the shipment of cattle by the port of Quebec, with the facilities there provided, would save on every bullock at least 20 pounds to 25 pounds in weight. Now, just to show you what that means in actual figures, take a shipment of 576 cattle that is going out on the 23rd of May; that will leave Winnipge on the evening of the 18th of May. It will be on the boat at Quebec on the night of the 23rd or the morning of the 24th, and that shipment of 576 head of cattle, by way of that port, will save as much in weight as is represented by 10 full bullocks, on that one shipment. The shrinkage on each, when measured in terms of bullocks, means 10 on that entire load, or on a trade of 50,000 bullocks in the season would mean a saving of 1,000 bullocks in shrinkage alone, apart altogether from the question of the delay or the question of difference in insurance rates, or risks in the harbour, or the question of delays between Montreal and Quebec in the handling of traffic. Now, that is the difficulty and that is the problem. It is a very natural thing that the shipping interests should desire to go to the head of navigation and there load their entire cargo of dead freight but the shipping interests must be brought to recognize that in dealing with freight they must consider live freight on a little different basis from dead freight, and the problem we ask your Committee to endeavour to assist in the solution of is to get the shipping interests to treat the port of Quebec in exactly the same way as the port of Montreal, and receve cattle shipped through the port of Quebec on equal terms with the cattle shipped through the port of Montreal. In other words, the shipping interests not unnaturally would say, "If we can get a load of cattle at Montreal, we will not call at Quebec for them", or, "If we can get our whole cargo at Montreal, we will not call at Quebec". Now, that may be a good thing from the shipper's standpoint, to get his cargo all at one place, or rather from the standpoint of the shipowner, but from the standpoint of the livestock trade of the western part of Canada—and this affects the western part of Canada more than it does any other part—.

By Mr. Hammell:

Q. It would not affect Ontario at all?—A. Yes, to some extent. I will explain that, but to the largest extent it will affect the shippers of the West, and if Quebec is put on exactly the same terms as Montreal, if the shipping interests will take their cattle from Quebec on the same terms as from Montreal, then the problem is solved, because trade will seek its own natural channel, and there will be no favouritism and no discrimination.

By Mr. Sales:

Q. How is the railway rate now?—A. From points west of Fort William it is exactly the same rate to Montreal as to Quebec. There is no differentiation in the rate on western cattle, but on cattle in the province of Ontario there is a difference in rate of 2 cents per 100 pounds between Montreal and Quebec. In other words, it is 2 cents per 100 pounds higher to Quebec than to Montreal. That is quite reasonable. It is a shorter haul, and it ought to be. If the trade has the facility provided in the way of shipping at Quebec to take up the cattle there won't be any difficulty about the trade seeking that channel and overcoming the difference of two cents a hundred pounds.

Q. When are these facilities going to be ready?—A. The first shipment is going through on the 23rd May. They will be in full operation by the end of the month. So that what we suggest to the Committee is, first, that the Committee, through such departments or in such way as you may find you can, should use the influence of the Committee to get the ship owners to call at Quebec on the same terms as at Montreal, and not only to call but to offer space on exactly the same terms—I do not mean a difference in rate; Quebec is prepared to pay the same rate as Montreal, although the risk is less, and ordinarily there would not be the same rate from Quebec as from Montreal, but they are quite prepared to pay that in fairness to the ship owners; when they say to the ship owner we want you to take our cattle at Quebec rather than Montreal, it is not unfair for the ship owner to say, "I can get a certain rate from Montreal; why should I take a lower rate from Quebec?" They are quite prepared to pay—

By the Chairman:

Q. Are there any harbour dues on a ship calling at Quebec which the ship would have to pay that it would not have to pay at Montreal?—A. There are some harbour dues, but they are not of any account.

By Hon. Mr. Tolmie:

Q. Are those harbour dues per ton?—A. Yes, I think so.

By Mr. Hammell:

Q. Supposing a ship loaded at Quebec altogether with cattle, surely it would be cheaper?—A. Yes, it would be cheaper, but you see here is a difficulty; the ship owner may load with cattle altogether at Quebec, but he has in addition to that grain, which he may get at Quebec, and he has in addition to that lumber which he will get at Quebec, and which Quebec does not get now, because there are not the ships calling there; they send so much of their stuff to Montreal, and have it shipped from Montreal; but even if they got all that the ships would still go to Montreal for the perishable things like flour and meats and butter and cheese.

Q. Do you class flour as perishable?—A. It is what they regard as more or less perishable; it has to be carefully handled.

Q. How is it that the flour, say, from the Western Canada Flour Mills at Winnipeg does not take that straight line down to Quebec?—A. Because there

is the same freight to Montreal as to Quebec; no reason why flour should go that way; it does not shrink, it does not change at all.

By Mr. Sales:

Q. The important part in the cattle is the saving of the shrinkage?—A. The shrinkage.

By Mr. Hammell:

Q. If the ships were loading with cattle would they carry flour on the same ships?—A. Yes.

By the Chairman:

Q. As a rule they load cattle on the top deck with shelters, which are made, and also between the upper deck and the second deck, if I recollect it?—A. That is right.

Q. And farther down is found the ordinary cargo?—A. The second suggestion is that the space be provided on equal terms to both ports; what I mean by that is this, the ship owner may say, "Yes, we will give you space at Quebec if we have any left"—well, that is not a fair thing to the western farmer, because the cattle men in Ontario may corral that space at Montreal where it is a short haul, and the western man who needs that space worse will have to bring his cattle down by the long haul and suffer a depreciation in his cattle; so that if the ship owner were to say—it would be quite fair to them when they know the facilities are provided—"We will take those cattle either at Montreal or at Quebec, and we will allot space shipping either through Quebec or Montreal", then the trade would seek its natural channel, and the farmer would benefit by the saving in his depreciation. Let me give you a further instance—this is not a frequent thing but it has occurred—as many as forty-five head of cattle have been thrown overboard between Montreal and Quebec.

By Mr. Hammell:

Q. From one ship?—A. Yes, in a very hot season through the depreciation and the blowing of these fine cattle—remember these were not stockers, they were brewery fed cattle, and they would go that much more quickly. That gives you an indication of what the heat in the river does to a herd.

Q. Closely packed in the vessel?—A. Yes.

By Mr. Tolmie:

Q. What is the distance there?—A. 172 miles.

Q. The ventilation must have been of a very bad nature, or did they die of bloat?—A. When they are coming down the river they have to go very slowly at places, sometimes they have to anchor there all night with a low tide, and then too in very hot weather you have bad conditions on some of those ships between decks.

By the Chairman:

Q. The tide is hardly noticeable at all further up than Three Rivers; I think the difference between high and low tide water at Three Rivers is only a couple of feet?—A. They anchor, don't they?

Q. They used to anchor in coming up the river at night, but in recent years it is better buoyed and better lighted, and deeper, and I don't think even cargo boats stop, but go through to Montreal. I think the explanation is when the cattle come on board in Montreal we occasionally have very hot weather, and while the ship is standing still the heat of the animals and the heat of the

weather makes it very hot before the boat gets in motion, and the ventilators get the air down to the lower deck; I suppose the temperature rises very high? —A. Yes.

Q. I would agree with Dr. Tolmie it must be a very rare occurrence.

Mr. TOLMIE: The percentage was very high.

By the Chairman:

Q. Of course you prefaced your remarks by saying it was a rare occurrence? —A. As a matter of fact it was given to me by one of the ship owners themselves as an instance that did occur in the river, and it was rare, but they did lose them. Another suggestion that might help the situation, if the ship owner is not desirous of coming into the harbour of Quebec and making the double call, then would it be unfair to ask that for the purposes of this traffic, which is going to be very large, two of the government ships might be put on the route to Glasgow and two to Liverpool carrying cattle, and make Quebec their port?

Q. We have had that matter up, and we have been told, I think on fairly good authority, that the Canadian Government Merchant Marine vessels are not of a kind that could carry cattle conveniently without relatively large sums being spent?—A. I know one of the exporters that we represent used them during all of 1921.

Q. Our information may have been correct, but that is the evidence so far before us?—A. These are just the two suggestions we have to offer, and we thought we ought to bring this to your attention.

Q. The last one is that two vessels should be put on to Liverpool and two to Glasgow?—A. For this cattle traffic.

By Mr. Sales:

Q. Is there any trouble in Mr. Kennedy chartering his own boat from Quebec?—A. I presume there would be no difficulty in chartering a boat from Quebec for cattle, the cattle space, but then the difficulty would be you would not be chartering one of the regular lines, they are not available for charter in that way; and in the second place if you brought in another line you would have to provide other dry cargo. There are boats enough to take care of the traffic, and they are equipped to take care of it if the arrangement is made to have the double call.

By Mr. Hammell:

Q. You say there is a trial shipment going through on the 23rd May?—A. That is the first shipment going through the harbour of Quebec.

By Mr. Sales:

Q. Who is making that shipment?—A. That shipment is going through to Mr. Irwin in Glasgow.

Q. He has bought his cattle over here?—A. Yes, 576 head of cattle, and they are going through on the 23rd; that is the first shipment that will go through; it may be that they may have to buy the boat into Quebec to get them on at that part, but even if they bought the boat into Quebec on that experiment they feel that it is worth while.

By Mr. Elliott:

Q. Have they completed arrangements with the steamship company for the boat to call on that trip?—A. I understand they are making arrangements; my advice to-day is these cattle are going to be sent through Quebec on the 23rd.

The CHAIRMAN: We are very much obliged to you. I understand that Mr. Evans wants to make a short statement which can be printed in the same number as the other evidence given to-day, and of course we will be very glad to hear Mr. Evans.

Mr. JOHN EVANS, M.P. for Saskatoon called.

By the Chairman:

Q. Mr. Evans, you have a statement which you wish to make?—A. I thought you were waiting for Mr. Bradshaw.

Q. I have sent for him, but if he delays coming, we cannot wait.—A. Mr. Sales brought to my notice the fact that Mr. Bradshaw quoted me, or he is supposed to have quoted me this afternoon, as to the price of binders, and he seemed to infer that I wilfully made a misstatement when I read his words.

The CHAIRMAN: Mr. Bradshaw, I have asked you to come because Mr. Evans wishes to make a statement in reference to a statement which he feels you made this afternoon. Did you go over your evidence?

Mr. BRADSHAW: Yes.

The CHAIRMAN: Is there anything you want to change or modify?

Mr. BRADSHAW: No.

By the Chairman:

Q. Now, Mr. Evans, start over again so that Mr. Bradshaw will hear what you have to say.—A. This relates to a time when the Grain Growers' Convention was held in the city of Prince Albert, Sask., and I was supposed to have made a statement at that time that Massey Harris machinery was sold in foreign countries cheaper than they were at home. Mr. Hugh Aird, who was manager at Saskatoon at that time, called me in to see him, and he handed me a speech of Sir Melvin Jones, who was then a Senator, and he defied me to prove my words. As a matter of fact, it was not I that made the statement at all, but it was Mr. John Murray of Wapella. He is dead now, but I said on behalf of the Association that I was quite willing to prove the statement, and the controversy went through the press, part of which Mr. Bradshaw quoted this afternoon. Mr. Bradshaw classified some of these statements as rather wild, and, he said, "I cannot but believe that some of them at least, knew at the time that they were absolutely false. The matter first came to our notice in 1910 when Mr. John Evans of Neutana, Sask., wrote to the then president of the company, Hon. Sir Lyman Melvin Jones. Amongst other things he stated in the letter:

> "That a carload of Massey-Harris binders, consigned to Mortlack, Sask., was wrecked on the C.P.R. The Massey Harris Company claim price 'off cars' at Mortlack, while the C.P.R. will only settle for cost of production. The C.P.R. won the case and settlement was made at $40 a binder."

I remember the incident quite well. While the controversy was going on, with Sir Lyman Melvin Jones and myself, Mr. Murray of Wapella, gave me this statement in a letter, that the wreck had taken place, and the binders were settled for at cost price, around $40 a binder. I am sorry that I am not able to produce that letter, but if you want to swear me I can say it under oath, but to say that I was making any statements in a wild manner—

By the Chairman:

Q. Might I interject a question here, Mr. Evans? What facilities would Mr. Murray have of knowing that this alleged settlement was made of $40 a

binder?—A. I do not know now. I could not say that, but a letter in the *Winnipeg Tribune*, of August 24th, 1910, has these words: "If you calculated the cost of a 6-foot binder, it would be difficult to bring the cost up to $40." That is an extract from that letter, and Mr. Clifford Sifton, speaking in Winnipeg, on the eve of a general election—his speech was reprinted in the *Winnipeg Tribune* of September 15, 1910—said: "Here is something to consider. The Massey Harris binder which sold in Glasgow for $75, was sold in the West for $140." So I think that is sufficient to show that I did not make any wild statements, Mr. Chairman, and I wish to assert that I still believe that at that date, with the low cost of production of those years, 1909, when mechanics were getting a high wage, if they were getting $3 a day, the cost of a 6-foot binder was not over $40. That will be all.

Q. I suppose you would only consider it fair if we allowed Mr. Bradshaw to reply, if he has a reply to make?—A. Yes.

The CHAIRMAN: Mr. Bradshaw, do you care to add anything?

Mr. BRADSHAW: Mr. Chairman, is not everything that Mr. Evans has said hearsay evidence? Have I not produced before you to-day the actual cost of the binder in 1913, the material and the labour. Anything that Mr. Evans has just said can only be laid down as hearsay evidence. If he wanted to prove the case, if he desired to know the facts, he had two sources to go to. One was the Canadian Pacific Railway, and the other was the Massey Harris Company. He did not go to either of these two, the two concerns that were chiefly concerned, and only concerned, but instead of that he repeated a statement from those who had absolutely no knowledge of the facts, and simply proved what I have stated this afternoon.

The CHAIRMAN: I must presume, Mr. Bradshaw, that Mr. Evans had some knowledge of Mr. Murray's character, and I am sure believed that Mr. Murray was stating what was accurate. I know Mr. Evans would not attempt to repeat something unless he felt in his own mind convinced that his informant was saying what was true. I think perhaps the best way to settle this controversy as to the cost of your machinery in the year 1909 would be for you to give us the cost in that year as you did back to 1913. You remember, we started in 1913. That would be helpful I think in the investigation if you were to have that done and send the information on to us.

Mr. EVANS: this incident relates to the year 1909.

The CHAIRMAN: Mr. Bradshaw has gone back as far as we asked him to go, 1913. I say that Mr. Evans is justifying his statement according to his information—I cannot say whether his information is right or not—of 1909. Mr. Bradshaw has been justifying his statement from his company's books as to the year 1913. They are not talking about the same time, though they are talking about the same argument, and, as Mr. Bradshaw has only been with the company for four years, the evidence that he gave us is evidence drawn from the Company's books, but not within his personal knowledge, either.

Mr. BRADSHAW: But, Mr. Chairman, have I not given you, and have I not read to you this afternoon, the letter of the President of the Company at that time to Mr. Evans, in which he declares emphatically that the amount of $40 did not even cover the cost of material. What better evidence can you have than the evidence of a man who was a Senator. The copy of the letter that I have seen is signed by Sir Lyman Melvin Jones himself, in his own hand.

Mr. HAMMELL: On the other hand, the other gentleman has only what some fellow told him.

The CHAIRMAN: Mr. Bradshaw has what Sir Lyman Melvin Jones told him, and Mr. Evans has what Mr. Murray told him. It you could, by an examination

of the books, verify that, Mr. Bradshaw, it seems to me it would lay the thing at rest absolutely. What do you think of that, Mr. Evans? Would that satisfy you Supposing Mr. Bradshaw looked up the Company's books and sent down to us a statement as to what their costs were in the year 1909, then, I think that should satisfy you that your informant had been wrong when he said that the total cost was only so much.

Mr. EVANS: Yes.

Mr. BRADSHAW: Does Mr. Evans not accept the word of Sir Lyman Melvin Jones in the letter which he sent to him?

Mr. EVANS: Sir Lyman Melvin Jones gave no figures in that letter at all.

Mr. BRADSHAW: Excuse me, he did, as you will see from the extract that I have given.

The CHAIRMAN: The best evidence we can have is the evidence that you will give us from the books, Mr. Bradshaw, and if that will not cause you too much trouble, I would be glad if you would, when you get home, have the cost of making the binder in 1909 sent to us.

Mr. HAMMELL: How are we going to clear up the wreck business?

Mr. BRADSHAW: How about the Canadian Pacific?

The CHAIRMAN: If Mr. Bradshaw would send me these figures, as he gave his figures this afternoon, then, as far as I am concerned, that will be satisfactory, and I think that is the best way to clear the matter up.

Mr. EVANS: But what I wanted to say particularly was, that I did not make a wrong statement knowing it to be wrong. That is what Mr. Bradshaw accuses me of.

Mr. BRADSHAW: I did not accuse you of that. I have not had the pleasure of knowing you, but what I said was that this statement was being repeated by those who knew better.

Mr. SALES: Would you care, Mr. Bradshaw, to look up your export prices at the same time?

Mr. BRADSHAW: The statement has been made over and over again that we have never yet sold a binder in a foreign market at a less rate than we sell it in Canada. Now, that has been sworn to by Mr. Findley at the Tariff Commission in Winnipeg, and if you cannot accept Sir Lyman Melvin Jones' word, and if you cannot accept Mr. Findley's sworn statement, why accept my word?

The CHAIRMAN: I think the whole attitude of the Committee to you has been one of men who have trust in your sincerity and accuracy.

Mr. BRADSHAW: I appreciate that.

The CHAIRMAN: We have a live witness before us, who impressed us with his accuracy and good faith, and if you will oblige us with the information we have just asked for—

Mr. BRADSHAW: I will try and do that if I can get our records.

The CHAIRMAN: Your records are intact to 1909.

Mr. BRADSHAW: That will be quite satisfactory.

The CHAIRMAN: We want further co-operation; that is all. This Committee stands adjourned until 10.30 a.m. on Friday, the 11th instant.

The Committee adjourned until 10.30 a.m. on Friday, the 11th instant.

HOUSE OF COMMONS,
COMMITTEE ROOM 268
FRIDAY, MAY 11, 1923.

The Special Committee appointed to inquire into Agricultural conditions throughout Canada met at 10.30 a.m. Mr. McMaster, the Chairman, presiding.

The CHAIRMAN: Gentlemen, I have asked the Dominion Statistician to prepare for us a comparison of our export trade in agricultural products for the year 1913 and the year 1922, not merely as to values but quantities as well, in order that we may see just how our trade has grown between those two periods. They are preparing that information for us now.

Hon. Mr. TOLMIE: What years did you say, Mr. Chairman?

The CHAIRMAN: The year ending March 31st, 1914, and the year ending March 31st, 1923. They are getting it not merely as to values, but quantities also. What have we this morning? I suppose Mr. Pyke will be the first witness.

ARTHUR C. PYKE, called and sworn:

By the Chairman:

Q. What is your full name, Mr. Pyke?—A. A. C. Pyke.

Q. Andrew, Alfred or Arthur?—A. Arthur C. Pyke.

Q. What is your occupation?—A. I am Secretary of the Canadian Wholesale Grocers' Association.

Q. You are here on behalf of that association?—A. Yes, sir, to explain the equalized rate system.

Q. You might address yourself to that question.—A. Well, Mr. Chairman, this equalized rate system—I think Mr. Sutherland presented you with a copy of the book, although I have another one here—is a system which has been in existence for 25 years, or since 1898. Up to that time the wholesale grocers and the retail grocers' business in sugar was in a demoralized condition.

Q. In what did that demoralization consist?—A. They were certainly losing money on every pound of sugar they handled. Various methods were adopted to try and see if some system could not be inaugurated that would fairly compensate the wholesaler, particularly the wholesaler because we are interested in the wholesaler.

Mr. HAMMELL: We should have Mr. Sutherland here, Mr. Chairman.

The CHAIRMAN: We have sent for him.

WITNESS: This system of the equalization of rates was compiled after a lot of effort and work.

The CHAIRMAN: Do you know whether Mr. Sutherland is here, Mr. Tolmie?

Mr. McKAY: I understand he will not be here until to-night.

The CHAIRMAN: Have we any other witness here that we can go on with?

Mr. E. M. TROWERN: Mr. Chairman, I was asked to appear this morning in regard to some questions regarding the retailers. I could fill in now, although I am waiting for some papers.

The CHAIRMAN: Shall we take Mr. Trowern in the meantime?

Mr. McKAY: I think we should take the retailers first.

The CHAIRMAN: Mr. Pyke, we will not keep you from meeting your train. We would like to have Mr. Sutherland here. Mr. Sutherland has taken o

particular interest in this matter, so that we will suspend your examination for the moment, and will ask Mr. Trowern to come forward.

Mr. PYKE: All right, sir. That is quite satisfactory to me. I will leave my books here.

EDWARD M. TROWERN, called and sworn.

By the Chairman:

Q. Mr. Trowern, what is your full name?—A. Edward M. Trowern.

Q. What is your occupation?—A. I am here as Secretary of the Dominion Board of the Retail Merchants' Association of Canada.

Q. You have come here this morning to assist us in our study of the situation regarding the distribution of sugar?—A. The proposal I have to submit to you is something I thought your Committee should consider, and as it is a matter that affects both the public, the farmers and the retailers, I thought you ought to have a record of it.

There has grown up a great development in the manufacture and sale of maple sugar and maple syrup, which of course is a natural product. The sale price of it has grown from 5 and 6 cents a pound to 35 cents a pound. It has developed in the way of placing it in cakes, that is, these little sugar cakes, in syrup form. I expect in a moment or two to have some of the sugar here, in order to show you the difficulties we are up against as retailers. This sugar is produced by the farmers and sold to the trade put up in ten-ounce bottles, and in little cakes of a pound, in the shape of ordinary sugar.

Q. How do you say the syrup comes?—A. It is put into bottles and tins, and different things of that kind, some 16-ounce bottles, and because of the fact that there is another preparation put up, just ordinary sugar, and called syrup, legislation was passed and properly so, that no maple sugar should be sold unless it was marked maple sugar. We are strongly in favour of that. We think a thing should only be marked what it is. Legislation was passed, I do not know why, but you I think will be able to understand, which provided that syrup could not be made out of ordinary sugar and put into bottles or little cakes, if it was the same colour, no matter how it was marked. We have a case now where one of our members is charged with violating the law, because he has in his possession (he being a retailer) a 16-ounce bottle of syrup that looks like maple syrup.

Q. It looks like maple syrup?—A. Yes, sir, it looks like maple syrup, and because it looks like maple syrup, and because it looks what it is—

Q. What is it?—A. It is table syrup. I will have a bottle to show you. Manufacturers have sold them all over the country, and the retailers are subject to a fine because they have them in their possession. I think it is beyond what we think is absolutely fair, and we thought it should be brought to your attention.

By Mr. McKay:

Q. What is the label?—A. The label on it is Table Syrup. I will show you a bottle in a moment.

By the Chairman:

Q. Has it the word "Maple" on it?—A. No, sir. If it had "Maple" on it, or anything like maple, although personally I cannot see why if you take half a pound of maple syrup and half a pound of ordinary common sugar and put them in a bottle and say that that bottle contains half a pound of common

sugar and half a pound of maple syrup I should be fined. I think it is stupid legislation. The general run of people buy that syrup. It costs the retailer 22 cents, he sells it for 25 cents, and he has to pay 35 and 40 cents for the other, the pure.

I am not objecting at all to the fact that a thing has to be marked, in fact if I had my way I would have everything marked exactly what it is. I have no objection to that, but I have a strong objection to legislation being passed bringing retail merchants into court because they have something in their possession which looks like maple syrup. I do not know who put the Act through, but we are anxious to have it removed, and as it was a matter that affected the western farmers—I do not know whether they raise maple syrup or not out there—we thought they certainly would want to buy this other syrup, and that they should have the right to buy it, and the retailer should have the right to sell it.

Q. You want the privilege of mixing it, provided the label shows that it is mixed?—A. Yes, sir.

Q. The raison d'etre for all these restrictive laws is unfortunately the past dishonesty of people who mixed up these ingredients. Of course it is not for me to pass any comments as to whether the law is too strict or not, the real reason for the legislation is to protect the public and the producer, and of course the law certainly is very stringent. —A. This to my mind is a case where protection has gone altogether too far. It is not a matter of trying to protect the public. There is a clause in the Act to protect the industry. There is a long difference between the one and the other, and there are different ways of applying protection. This is a most severe method of protecting any industry. I took it up with the Department; it is under the Department of Health. They fully agree with me that this legislation should be changed.

Q. If the Department in charge of the legislation and yourself are agreed about the unwisdom of the legislation, we can only hope that it will be changed at the earliest possible moment. —A. I thought this was a matter that your Committee should know about, because we are trying to protect the public. We have to do that, because we are in business. Merchants have to do that, their names are over their doors, they have their money invested, and if a man starts in to cheat he very soon gets out of business. Our association gets after the man who commits a fraud.

By Mr. McKay:

Q. You have appealed to the Department for a change?—A. Yes.

Q. When did you do that?—A. Just about two or three weeks ago, as soon as our association had its attention brought to the fact that one of our members was liable to be brought into court and fined for having these goods in his possession.

By Mr. Bouchard:

Q. Do you think it is a fraud if you have a mixture of maple syrup with table syrup, if there is a proper name on it? —A. I cannot just grasp your meaning.

By the Chairman:

Q. This is Mr. Bouchard's question, Mr. Trowern: suppose the Legislature of this country adopted your view, and allowed the mixing of maple syrup, even providing the quantity or proportion was stated on the label, would it not nevertheless open the door to fraud to unscrupulous wholesalers or retailers, and would it not make it easier for them to mix the maple syrup with other

syrup and sell it as maple syrup?—A. The difficulty, Mr. Chairman, there, would be, if you applied that principle to one thing you would have to apply it to everything.

Q. But what is your view as to whether it would make fraud easier?—A. I don't think so, provided the article were marked exactly what it is. We are strong on that. If you make an article, I don't care what it is, and you stamp it. I will illustrate this for you in another way that will show you the difficulties we are up against. At the present moment you will find umbrellas sold or advertised "Half silk and half wool." We are dealing with that case now, and we find that there is no umbrella covering made or imported into Canada half silk and half wool. Consequently these retailers who advertise umbrellas "Half silk and half wood" are doing an injury to the man who advertises umbrellas "Half silk and half cotton."

Q. What are you going to do about it?—A. We are simply going to bring those people up who are advertising, if they do not change their methods, under the false advertising legislation. We have false advertising legislation now to prevent fraud, and if you mixed a bottle up of half maple syrup and half cane sugar and advertised it as maple sugar it would come under the same law and we can deal with those cases. But this is a different case altogether. This is a case where they have a clause in the Act stating that if any preparation of any kind looks like maple sugar—you see the protective clause they have there? "Looks like maple sugar"—the man having it in his possession is liable to prosecution. Now here is a bottle of syrup. (Produced).

Q. Let us see how it is marked.

By Mr. Sales:

Q. You should have brought a similar bottle of maple syrup and let us put them side by side.—A. I am not objecting to maple being kept pure. I want maple sugar to be just what it is.

Q. Can you get a bottle of maple syrup for us to compare with this?—A. Yes.

Mr. McKay: I suppose any syrup can be tested as to its purity.

By Mr. Sales:

Q. What I want to find out is if these two things are made to look alike so that one can be sold as the other.—A. It is not marked. There are lots of things that look alike that are not alike, and that is the trouble.

Q. Exactly. That is the point I am making. Will you have your man get us a bottle of the other syrup?—A. Yes, a bottle of maple syrup.

By the Chairman:

Q. Now, Mr. Trowern, are you before us to defend this sort of thing. Here is a cake marked "Sucre de table"; how easy that is to confound with "Sucre d'Erables." This thing is made up exactly in imitation of maple sugar, and they mark it on the bottom and not on the top "Sucre de table", which might easily be taken for "Sucre d'Erables."

Mr. Caldwell: Will you tell us what those terms mean in English, Mr. Chairman?

The Chairman: "Sucre de table" is table sugar. "Sucre d'Erables" is maple sugar. Of course this is not table sugar; it is not the ordinary sugar that is used on the table at all.

I think this (bottle) is fair enough. It may look like maple syrup, but if this is an attractive colour, I do not see any objection. It is marked "Café brand table syrup." There is no word "maple" about it. That does not seem

to me to be unfair; but if this, which I hold in my hand, is not maple sugar it has been got up to look as much like maple sugar as it possibly can.

Mr. BOUCHARD: It is the same with the syrup. Why take the appearance of a good article, and imitate it with an inferior one?

Mr. CALDWELL: They do not allow that with margarine and butter

The WITNESS: Before bringing this matter before you, I took every precaution I could. I took it up with the Department, and had the Department examine the whole matter, and the Act is very clear.

> "No person shall manufacture for sale, keep for sale, or expose for sale, or sell, any article of food resembling or being an imitation of maple sugar or maple syrup which is not pure maple sugar or pure maple syrup."

That is quite all right.

> "Any maple sugar or maple syrup which is not up to the standard prescribed by the Governor in Council, under the Food and Drugs Act shall be deemed to be adulterated within the meaning of the Food and Drugs Act. The word 'maple' shall not be used either alone or in combination with any word or words or letter or letters on a label or other mark illustration or device on a package containing any article of food resembling"—that is the word we want struck out—"or being an imitation of maple sugar or maple syrup or on any such article of food itself which is not pure maple sugar or pure maple syrup. And any article of food labelled or marked in violation of this subsection shall be deemed to be adulterated within the meaning of the Food and Drugs Act."

Now we can be charged by the Government for having that article in our stores, and we are going to be hauled up. It is only through the grace and the intelligence of the members of the Department that we are not in the Court now.

Mr. CALDWELL: As I understand the meaning of the Act, it is only when the word "maple" appears.

The CHAIRMAN: No, they cannot make it up to resemble maple. I do not think, Mr. Trowern, that you can expect this Committee to give any expression of opinion as to the wisdom of the present legislation?—A. I agree with you.

Q. But we understand your point very well. Let me make this observation: this bottle contains a liquid which looks like maple syrup, but the bottle is plainly marked "Table Syrup." But this piece of brown material which you have brought before us is not in the same class.—A. The bottle is not marked "Maple Syrup."

Q. No, I say it is not marked "Maple Syrup", and the intention to defraud is not at all patent to my view there. But the intention to defraud and to fool the public with the idea that this material is maple sugar is to my mind very patent indeed. It is called in the French language "Sucre de table" which is very close to "Sucre d'Erables." It is coloured and put in a shape very closely resembling although not exactly like the way our farmers put up their maple sugar, and it is marked not on the top but on the bottom. I do not know whose product it is but I think that you would have come with a stronger case before us to-day if you had left this little piece of brown material at home.

Mr. BOUCHARD: Excuse me, Mr. Chairman, if I do not quite agree with you. I think the article is intended to be camouflaged in both cases, and we have to protect our national industry of maple sugar, and not only in this country but outside, for exportation.

Mr. CALDWELL: One is a table syrup and the other a table sugar. I will admit that this "Table sugar" resembles maple sugar more than the "Table syrup" resembles maple syrup. Another thing, some years ago I saw a receipt published for making imitation maple sugar. It said to take corn, soak it in water overnight and then dissolve brown sugar in it and it gives a taste closely resembling maple.

The CHAIRMAN: Yes, well, Mr. Trowern, we are glad to find you such an advocate of freedom, but I would like to know what action your Retailers' Association has taken, if any, in connection with something that happened in Montreal the other day. The tobacco merchants got together and I read from the Montreal Star of Saturday May 5:—

EXHIBIT No. 198

"The manufacturers of tobacco products have given their support to the cause of the newly formed Montreal Retail Tobacco Merchants' Association to "kill" the tobacco product price cutters now doing business in the city and suburbs. Such was the declaration made by the President of the Association, H. B. Hyman, at the second meeting held last night in the Gayety Theatre. Many firms in the trade have been docking the price of their sales with the object of gaining customers. This was shown to be to the detriment of competitors, and slowly but surely to themselves. To guard against alleged unfair competition, the local association had been formed to solicit the membership of all retailers with the co-operation of the manufacturers. Within four days of the association's existence it was said that large bodies of retailers had flocked to membership, and manufacturers, realizing the need of retailers adhering to manufacturers, had promised assistance for corresponding reciprocation on the part of the former. It was emphatically stated that the association was not a trust."

Has this come under your notice as secretary of your association?—A. Yes sir, it has.

Q. And what steps have you taken to prevent this joining together of retailers to prevent the reduction of prices to the smokers of the country?—A. In the first place that has nothing to do with our Retail Merchants' Association of Canada. That is merely a little group of people in Montreal. I am glad you have asked the question, Mr. Chairman, because I am strongly of the opinion that this Committee can do a whole lot of good to the general public in getting at just such things as that, and other things that you are doing. You are calling public attention, by calling us here and having us placed on record about things that never could come before the public unless they came before this Committee. Consequently I am quite satisfied that this Committee is going to do a lot of good if they see that what they do is made public. Now that little concern, a certain group of people got together in the City of Toronto. A man by the name of Goldberg organized these little retail tobacconists and got them together to do certain things. When we heard about it we told them, You cannot do it, it is impossible to do it, but still he went on and organized these people and gathered their money up in the City of Toronto, and then when he got all he could get out of them, he passed down to Montreal and did the same thing, and I am very sorry to see a number of very respectable retail tobacconists associated with an organization of that sort.

Q. Are these gentlemen members of your association?—A. No, they are not, Mr. Chairman.

Q. Mr. Hyman is not?—A. Not members of our association.

Q. Mr. Morris is not?—A. No.

Q. You are sure that these people are not members of your association? —A. Not in that operation.

Q. What do you call your association?—A. We call ours the Retail Merchants' Association of Canada.

Q. Now I will read you the names, and will you tell me whether any of these gentlemen are your members?—A. I would not be able to do that without my list. However, go on and I will be glad to get you the information. I would not be able to tell you right off.

Q. You will tell us whether any of these names are members of your association. Will you take a note of them.

H. B. Hyman.
A. E. Morris.
H. Poupart.
A. E. Gerth.
A. Paquette.
George Thomson.
A. Lemay.
J. O. Villeneuve.
C. A. Rawlings.
J. B. H. Lalonde.
J. C. Payne.
H. F. Brooks.
J. A. Beausejour.
J. P. Fontaine.
L. Meunier.
A. H. Manningham.
J. Protedos.
A. Bonnadore.
George Reaume.
R. Dumont.
N. Bedard, and
M. Levy.

Now if in the event of any of these gentlemen being members of your Retail Association, what action would you take?—A. It would largely depend on what they are doing.

Q. Suppose they were doing what the Star says they are doing, they are forming an association to maintain prices for what people smoke?—A. If they are forming an association to attempt to fix a fair price among themselves without having any regard to the quality of the article and the manufacturer of the goods, it won't be necessary for us to take very much action, because the thing will kill itself; it is foolishness; it cannot be done. That is the reason I object. There is no use trying to do something you cannot do, and if any one thinks they are going to get the retail merchant—I am an old retail merchant. I have been in this work for fifty years—if you think you will ever get a retail merchant to agree upon a price without having the manufacturer fix that price why it is a crazy proposal.

By Mr. Caldwell:

Q. Do we understand the only reason you object to it is it cannot be done? —A. If it is a fair price there is nothing wrong in it, but it cannot be done. Retail merchants are a group of independent people who will not be bossed by

anybody; They are their own bosses, they want their names over their doors the same as the farmers.

By the Chairman:

Q. We have heard numbers of expressions of opinion apparently from retailers saying that they are quite agreeable to price fixing, now you tell us they want to be independent?—A. I am very glad you have raised that question because it was not brought out clearly enough last night, and I will make it clearer. Fixing prices on any article that is not a trade marked article, that the price is not fixed and agreed upon by the man who makes the article himself and the condition upon which that article is to be sold, any proposal other than that we as retailers object to it, because it is an impossibility, it is an absolute impossibility. But if you take a trade marked article, and I would like just to illustrate this for a moment; we will say that we are here a little group of people, and we are going to put money into making washing machines, and we put up our money, and we are here as a Board of Directors, and we have got a patent, and we have got the best washing machine, as we think, in the world. Now then, we are going to sell it, and we start out by putting no retail price on it at all, but just simply a price to the wholesaler, and we agree that we are going to sell it to the wholesale trade, if we think that is the cheapest way of selling it—some goods can be sold more profitably through the wholesale trade than they can direct to the consumer—but we will assume that we are going to sell it through the jobbing houses, and we do not fix a retail price on it, what are our competitors going to do? We have competitors in other washing machines; they are going to buy our machine and they are going to put it in their store, and when a customer comes in they will quote a price at cost, that is at the wholesale price, and they are going to sell their own machine if they are any salesmen at all, and refuse our machine. Supposing we do it the other way; we have a good machine, we have a good patent—

Q. Do retailers act in that unscrupulous fashion?—A. Yes sir, absolutely; there is one of our troubles. Three per cent of the retailers of this country are trade pirates. It is those pirates we have to make provision for for the decent trade.

By Mr. Sales:

Q. How did you get the percentage?—A. Oh well I have been in this thing fifty years, and I know the fakirs from the decent fellows.

By Mr. Caldwell:

Q. What is the definition of the word pirate?

The CHAIRMAN: A man who on the high seas steals property belonging to other people.

A. We call a man who would go to work—you walk into a store, they have five or six articles for sale, and we will follow out this illustration that I am just mentioning, that we are a group of people with a washing machine, and they know that this is an article that everybody wants, and those people take that article and put it at cost price in order to attract people to come into their store to sell them something else. When you have got it you think you have got a bargain, a big thing, but you have gone to work and bought something else, and in the meantime you have more than paid up the loss that they made on this on the other article.

By Mr. Caldwell:

Q. You think you would not sell any washing machines through the retail trade—?A. Absolutly not, because I will tell you this, that retail people do

exactly as I did when in business(a man would come in, and he would offer me an article for sale, a good article, and we will say I am selling it at $10, some one else is selling that article at $7 or $7.50 or $8, you buy from me at $10 and go home, and discuss the matter with your family, and some one will say, "Why, I could have bought that at $8 down in Jones's place", what would you think of me? You would think I had cheated you out of $2, and you would say "That man did not treat me right, he beat me out of $2." Now, by having the price fixed by the manufacturer he is not able to do that. I have got a better article, the public have got better articles, and the whole community are better served. How long would I offer that man's goods for sale when I found they were sold at $8. I would simply tell the manufacturer to get out, I don't want them. Canada is suffering to-day through bad business policy on the part of the manufacturers themselves; that is one of our troubles in Canada. The more manufacturing you can get in Canada the more mouths you have to feed, the better it is for everybody, and if you do not give the merchants a profit they won't handle the goods. I would handle nothing—I am perfectly frank in telling you this, that we urge on retail merchants "If you don't make a profit out of things don't bother with them, because you cannot pay your rent and taxes and run the expenses of the country, it cannot be done". We are either in business legitimately or we are not in business legitimately.

By Mr. Caldwell:

Q. If you do not make a profit you cannot expect some one else to bonus you if you make a loss?—A. Sure not.

Q. Would you apply that to the manufacturers as well, if they cannot manufacture profitably they should quit?—A. I absolutely do.

By Hon. Mr. Sinclair:

Q. How do you determine what percentage you must add to your goods to make a profit?—A. Through experience we know what the overhead of pretty nearly every retail man is; it varies, it runs from—

Q. It varies according to the volume of his business.

The CHAIRMAN: Yes, and with the brains he puts into it.

The WITNESS: Yes, sure. There is a fallacy in believing that more business a man does the cheaper he can sell; the larger your business is the larger is your overhead. These are things that people should know.

By Mr. Gardiner:

Q. Do you mean if a man does a larger business in proportion that his profit must be higher?—A. I mean to say the overhead of each is 35 to 36 per cent, and, gentlemen, I am glad this gentleman has asked that question, because that brings up another thing I want you to consider. Some people have the foolish socialistic ideas in their heads that there are too many retail concerns, and a very prominent man said if we had only one big retail store in Ottawa what a lovely thing it would be! It would not be a lovely thing at all.

The CHAIRMAN: There would be no Retailers' Association?—A. It is immaterial to me. I am in this thing, and got into it because I have an ideal, and I think if you cannot put your religion into your business then there is something with your business or there is something wrong with your religion.

Q. Apparently one of the tenets of your religion is "Don't sell goods too cheap"?—A. Absolutely, because I don't want bankruptcy courts.

Q. Strange to say, that gospel does not appeal to a lot of people who are feeling the pinch of hard times; it does not appeal very strongly, "don't sell

your goods too cheap." What the people of this country want is for everybody to try and devise more economical ways of doing business, and we hear patiently, but without any enthusiasm those who endeavour to maintain the present differences of prices between the manufacturer and wholesaler, and wholesaler and retailer, and retailer and consumer; we listen politely to anybody who comes here, but I must say it does not strike any responsive chord in our hearts, this attempt to make us believe that it is a bad thing for people to get things cheap?—A. I say a retailer must have a fair profit; it is not a matter of overcharging; I am absolutely opposed to that. But let us think for a moment; take in Toronto, we have two large departmental stores—

Q. There are more than two large departmental stores in Toronto?—A. Say three.

Q. I think there are more than three?—A. No, there are only three large departmental stores.

By Mr. Hammell:

Q. What are the three?—A. Eaton's, Simpson's and Murray's.

Q. Murray's is not a departmental store in the same sense as the other two?—A. Murray-Kay is a departmental store. If those stores could do all the business and be of such benefit to the people there would be no other store. Now, the specialty stores of Toronto are developing; you have more of them to-day than you ever had, because the specialty store gives the people the service that the departmental store cannot give; that is the reason. There is a reason for everything.

By Mr. Milne:

Q. To go back again to the matter of increased business, and not handling at a lower margin, I understand Mr. Stephens last night to say he had three times the business, and he could practically carry it on without increasing his overhead very much, he could sell cheaper?—A. That is up to a certain limit. The statistical reports, we have them in our office for the United States, and in England and in Canada, and they show that there is no overhead in any departmental store less than 30 to 32 per cent on all the whole average of their business.

Q. You mean it is greater than that?—A. It is greater than that. There is nothing lower.

Q. There are too many stores?—A. The average retail grocery store, 18, 18½, 19 and 19½ per cent, is their overhead. These gentlemen who were here last night representing the boot and shoe business, their overhead would be from 21 to 25 per cent. The last man who is going to be in business, gentlemen, is the man with the key. All this business of trying to arrange conditions is all foolishness, because the men who are going into business are going to succeed, according to their ability.

By Mr. Caldwell:

Q. There is this difference between the retailer and the large departmental store, where the departmental store might be a little lower, the small retailer is cut out, because the departmental stores buy directly from the manufacturer, that is, the same line of goods.—A. They do not buy all their goods from the manufacturer, because some of the manufacturers have too much sense to sell them. They are not selling goods any cheaper than the ordinary man.

Q. The departmental stores do not?—A. No, sir. It is a mistake. Take quality for quality—I have had these departmental stores in the police court.

By Mr. Milne:

Q. Take Dunlop goods.—A. It depends entirely on the quality.

Q. Is the Dunlop rubber boot that you get from Eaton's the same as you get from the retail merchant?—A. You mean Dunlop tires.

Q. The ordinary pullover rubbers.—A. In order to make the comparison between the quality, I would like to see them.

Q. They are stamped the same.—A. You are opening up another big question.

The CHAIRMAN: We do not wish to sit this afternoon, because the budget is coming on. Had we better go on any further with this gentleman? I think you have placed your position very clearly before us.

By Mr. Milne:

Q. Is this ordinary syrup considered at a pretty fair price a pound, 25 cents. Is not that a pretty high price for syrup?—A. You mean ordinary sugar or maple sugar?

Q. The table syrup in the bottle which is before the Committee.—A. The maple sugar, a 16 ounce bottle, maple syrup—

By Mr. McKay:

Q. What do your farmers get for maple syrup?

Mr. BOUCHARD: $2 a gallon.

Mr. MILNE: 12 pounds.

Mr. BOUCHARD: 10 pounds to a gallon, the Imperial gallon.

The CHAIRMAN: I bought ten pound tins the other day in a case, for $1.55.

Mr. MILNE: It is heavier than water.

Mr. BOUCHARD: Just a little bit.

The WITNESS: The freight has gone up on this syrup, on this sugar. There is a letter from the Express Traffic Association of Canada, in which they say (reads):—

EXHIBIT No. 199

"The Express Traffic Association of Canada,
901 Shaughnessy Building,
137 McGill Street,
Montreal, Quebec.

9th May, 1923.

File No. 1449.

E. M. Trowern, Esq.,
Secretary, Dominion Executive Council and Dominion Board,
The Retail Merchants Association of Canada,
18 Rideau Street,
Ottawa, Ont.

Dear Sir,

Delay in replying to your letter dated May 2nd has been due to absence from the office.

Prior to January 1st, 1923, maple sugar and maple syrup were carried by express at second class rating. This rating had been established a good many years ago when the price of maple syrup ran from 4½ to 5 cents per pound, and maple sugar from 6 to 6½ cents per pound retail. It has since developed that maple sugar is now put up in small packages wrapped in tissue paper, etc., the same as chocolate bars, and is really a high-class confection. It was never the intention of the express companies

to carry this class of traffic at second class rates, which were established originally to encourage and assist farmers who made it a practice of manufacturing maple sugar and maple syrup on the farms. Relatively, the price of maple sugar and maple syrup is now high. This stuff is not perishable and can be, and is to a very large extent shipped by freight. We consider it a manufactured article analogous to confectionery and candy, which are rated first class, and therefore are of the opinion it should take first class rating.

Trusting this gives you the information required,

Yours very truly,

(Sgd.) C. N. Ham,
Secretary."

By the Chairman:

Q. Have you got that letter?—A. Yes. I brought a copy for you.

By Mr. Milne:

Q. Is that syrup that is marked "25 cents" on the bottle—do you consider that is a fair price for a pound of syrup, compared with what is put up in tins?—A. What I claim is this, if there is nothing in there, and we have had it examined—there's nothing in there to hurt anybody. It is not adulterated to injure in any shape or form, and the poor people want that kind of stuff, and I claim if it does not hurt them, it is not deceptive at all. It is exactly what they want, and they should have the right to have it.

Q. Is the price of syrup enhanced by putting it in the bottle?—A. We ordinarily buy syrup in tin cans. That is put in these bottles simply because it is convenient and people want it that way. It is for restaurants. You do not want to be handling it in tin cans. There is nothing in the world worse than syrup on your fingers. The manufacturers conclude it is wanted in that form, and consequently they supply it.

By Mr. Caldwell:

Q. By whom is that letter written?

The CHAIRMAN: C. N. Ham. I am interested, because I took the same thing up on behalf of the people in my county, where there are, probably in proportion to the number, the largest producers of maple sugar and maple syrup in the country, and the rate from Brome to Toronto has gone from $2 to $3 per hundred pounds, just recently, and this is the explanation, not that maple sugar weighs more than it used to, but that it has a higher price and therefore it can bear a greater toll. I suppose that is the basis on which the freight rate is established, though it is interesting to note that they say in one sentence of this letter that it is stuff that might readily be shipped by freight and in the next breath they say it is really high class confectionery and should bear the rate of high class confectionery.

By Hon. Mr. Sinclair:

Q. I was going to ask you, as a representative of the retail merchants what suggestion can you offer as a tendency to decrease the cost of distribution in this country at the present time?—A. That is a pretty big problem. That is a very big problem. I think I would like to answer that by putting myself on record by saying that for thirty-five years we have had legislation put on the Statute Books that everyone has been afraid of. They have been afraid. They have been pulled up in the courts and everything else through foolish legislation, and only recently when our association had the honour of attacking

that Board of Commerce, upsetting it and sending their case to the Privy Council, the Privy Council declared that legislation ultra vires. They have thrown it out. What we need in this country is more getting together of the classes, manufacturers, also wholesalers and retailers with their members of Parliament, the people who represent them, and simply laying our cards on the table and saying "we want certain things."

By Mr. Caldwell:

Q. Would you not include the consumers in that conference?—A. If you can find them, I will, because we are all consumers.

By the Chairman:

Q. Those observations are interesting, but they are not an answer to Hon. Mr. Sinclair's question. Have you, as representing the retailers, any suggestions to make to this Committee as to how the cost of distribution can be diminished in this country?—A. I would like to take it as a suggestion to bring up at our convention and see if we cannot devise something.

Q. You have no suggestions to make at this time?—A. No.

By Mr. Gardiner:

Q. Has your association ever taken any steps in their convention or otherwise to try and reduce the cost of distribution?—A. Yes.

Q. Will you explain to this Committee what steps they have taken?—A. The cost of distribution—you are reaching such a fundamental question, when you start to see how it can be done, because you are getting right back then to labour and everything in connection with it and if labour goes up, prices must go up. One follows the other. I do not think the trouble is with the cost, so much as it is with the inequality of the selling prices of different articles. If a thing is very cheap and a man does not have money to buy it, it is of no avail. No one will bother his head with it.

Q. Is not that rather an overdrawn analogy?—A. I do not think so. There have been a great many attempts made to get goods cheap through different schemes. These schemes do not work out.

By the Chairman:

Q. What proportion of the retail trade of Great Britain is carried on by the co-operative societies?—A. I have had occasion to study them. In the first place, they start out on an entirely different basis for an ordinary retailer. They go to the Government and pretend they are socialistic. They do not want to say that, but they are. They pay no income tax. I am going to give you that straight now, and I will say it to you, that Lloyd George would not receive a delegation from them, the last time he was in power, because they do not pay any income tax. When you go into a problem of that kind, you are opening an awfully big door.

By Mr. Sales:

Q. You say they went to the Government when they started?—A. I say a lot of little weavers started and worked this thing up. They were working for one another. If the co-operative stores of England or any other place would benefit the people as they should do, there would be no other stores, do not forget that. Selfridge's in London would never have come into existence, if these co-operative stores had benefited the people as they should have done. They would never have been a success here only they humbugged the people.

By the Chairman:

Q. Evidently you do not think the way out is found by co-operation?—A. Absolutely not.

By Mr. Gardiner:

Q. Just one point about co-operative stores. Is it not a fact that the ideal behind the British co-operative stores to-day is just the same as it was when it started?—A. I do not think so. I think that the original fellows who started those stores felt that they could help one another, working for one another for nothing.

Q. Do not they do that to-day?—A. No.

Q. How is that?—A. Because they all get good salaries. They are following out exactly the same course as what might be termed the ordinary channels of trade.

Mr. Sales: That is not true.

By Mr. Gardiner:

Q. Is it not a fact that the co-operative stores pay the lowest salaries in existence as far as the trade is concerned?—A. That makes no difference. It gives the fellows who run them better profits.

Q. Who runs them?—A. The managers themselves.

Q. For whom do they run them?—A. For the people.

By Mr. Sales:

Q. They run them for themselves?—A. We do not run our stores for ourselves. We run them for our customers.

By Mr. Gardiner:

Q. I just want to make one remark about the co-operative stores in the Old Country. I want to say you do not know anything about the co-operative business in the Old Country.—A. I know too much.

Q. If you do know anything about them, you are not giving the Committee the benefit of your knowledge.—A. I would be pleased to lay a report before you concerning what I know about the co-operative business.

By the Chairman:

Q. This brown mixture which you have brought before us in the form of a cake is marked "pure." Do those who handle this pretend this is pure maple sugar?—

Mr. Sales: No.

By the Chairman:

Q. Why is it marked "pure." Pure what? We will excuse you now. We are finished with you now, sir.—A. I was just going to say if this is marked "pure" and it is not pure, I would like to get after the fellow who made it.

A. E. Kelly called and sworn.

By the Chairman:

Q. What is your full name?—A. Alvin E. Kelly.

Q. Mr. Kelly, you were kind enough to bring before us a few moments ago a cake of brown substance more or less resembling sugar, or even maple sugar, and marked with the word "pure." Might I ask you first of all how you came in possession of this article?—A. That probably would be a little difficult for

me to answer under oath. That was, no doubt, brought into my shop purchased by me for sale some years ago. I cannot tell you how long ago, but from the look of it, several years ago. I was asked to get some information on this particular class of sugar that was put up in these cakes. That was the only one I could put my hands on, I did some telephoning and I found there was some on the market still of that same article, but of probably a little more recent birth. That one there, as you will see, has been kicking around, I might say, from one place to another, on back shelves and so forth in my shop, and I thought it would be a good idea just to let you see what becomes of an article that is put up with the word "pure" on it. As far as I know, that sugar was made to resemble maple sugar, but as the word "maple" does not appear on it, you cannot call that maple sugar, although it may be sold as such. I never sold it for maple sugar, I sold it for sugar—in fact, if I remember rightly, it was labelled on the box as cream, a pure cream sugar.

Q. It just has the word " pure " on it?—A. Yes.

Q. The Hon. Mr. Sinclair suggests to me that it might have meant "pure fake."—A. That, I guess, would probably have been about right.

Q. I hope you did not sell much of it.—A. Thank heaven I have not a trade of that sort that demands an article of that kind.

Q. This is rather a striking instance of the necessity for laws to protect those who are making pure maple sugar.—A. I might say that the party or firm who manufactured that has been out of the business some length of time, and I think they had a good deal of trouble before the courts for putting out an impure article and trying to get away with it.

Q. That was the reason why this stringent legislation was passed, to prevent this sort of thing.—A. Absolutely.

Q. You are in the grocery business?—A. Yes.

Q. You handle real good maple sugar?—A. I think I do.

Q. Where did you get it?—A. Most of it comes from Sutton, in Quebec. I think I have some at the present time from the same firm that put out this bottled stuff.

Q. Where is that put up; it says, "Brome"?—A. Yes, that is put by Jenny for another firm. You can have whichever label you want on it. I got it with that label, because I thought there was a little more distinction in that label than having Jenny's. They were scattered pretty well all over town, but it is a first-class article, I believe, and I have no hesitation in saying that Jenny's is probably as good as there is on the market, but I thought this would probably be a little different from the other grocers.

By Hon. Mr. Tolmie:

Q. Is that put up in Brome, did you say?—A. Jenny's, I think, is in Brome.

The CHAIRMAN: Yes, it is at Sutton.

By Hon. Mr. Tolmie:

Q. But does this other, this cake, come from Brome?—A. No, no. The man that put that up is very small.

By Mr. Sales:

Q. In your mind, is this put up to deceive the public?—A. I would not like to say that. There are a great many—.

By the Chairman:

Q. What about this table syrup?—A. I have not seen it, I do not know.

Q. The witness is shown a bottle marked Cafe Brand, 17 oz., Table Syrup, manufactured by Quebec Syrup Exchange, Montreal, and is asked by Mr.

Sales whether it is his opinion that that has been put up with the intention of giving the public an idea that that is maple syrup.?—A. I would not think so. If the word "maple" does not appear there, I would not say that. If it is marked "maple syrup," or has anything to indicate that it is maple syrup—.

By Hon. Mr. Tolmie:

Q. What does that bottle of maple syrup sell for?—A. This one over here? 35 cents.

By Mr. Hammell:

Q. How many ounces in that?—A. I do not know much about it. I know I have tried an article like that, but I could not find trade for it.

By Mr. Bouchard:

Q. How many bottles like this would come from an imperial gallon?—A. There are 16 ounces in that bottle; I think there are 13 pounds in a gallon, are there not?

The CHAIRMAN: Thank you, Mr. Kelly. Now, Mr. Pyke, we have kept you waiting a long time; and we will come back to you now.

A. C. PYKE, recalled:

The WITNESS: Mr. Chairman, perhaps I had better say at the start that this system of equalized freight on sugar, a system of arriving at a laid down cost of sugar to all points in Ontario, has been investigated before by three different government bodies; by the Cost of Living Commissioner in 1917, who made a report on the whole system to the government. You can find that report—I made a note of it—it is No. 189, 1917. The Commissioner was Mr. W. F. O'Connor, K.C., who was the Cost of Living Commissioner at that time under the Department of Labour. It was also investigated by the Food Board, and Mr. Thomson, the Chairman of that Food Board, H. B. Thomson, also, through his officials, went into it very thoroughly and also presented a report which I cannot refer you to. It was also investigated at another time by the Board of Commerce, and all these bodies reported that the system was a fair and proper one and they could not find any objection to it. I thought I had better mention that, because you could probably get—.

By the Chairman:

Q. You feel that you come into court with three certificates of good character?—A. Yes, sir, and it may be difficult to explain to this Committee just the working of this system. It has been in existence, as I said before, since 1898. This equalized rate book, which you probably have here, is supplied prepared from my own office, and based on the freight rate from Montreal. When this was first started in 1898, the Montreal refiners were the people who were supplying the sugar to the wholesale trade, and they continued to do that. The refinery at Chatham, to which Mr. Sutherland referred before this Committee, is not a party to this arrangement. They do not distribute their goods through the wholesale grocery trade, so this book refers to all sugar sold by the wholesale grocers.

By Mr. Caldwell:

Q. The refinery at Chatham?—A. Does not distribute. If they use this book, of course, they are doing it without any arrangement with us whatsoever.

By the Chairman:

Q. You remember the name of the refinery at Chatham?—A. Yes, the Dominion Sugar Company at Wallaceburg and Chatham, I think. When Mr. Sutherland made the comparison of rates, perhaps it looked rather bad that the freight to Ingersoll, I think, according to this book, is rather larger than the freight to London, but it is all based on the Montreal price.

Q. Let me read you what Mr. Sutherland says. Mr. Sutherland stated:

> "The travellers claim that those are the only conditions upon which they can sell sugar. I will give you the rates to London, for instance. It does not matter whether it comes from Chatham or Montreal. There is a sugar refinery at Chatham, close to London. The same rate is applied coming from Montreal as our rate. The rate to London is 43 cents per hundred pounds. The rate to Ingersoll is 62 cents, or a difference of 19 cents a hundred."
>
> The CHAIRMAN: "For how many miles difference?"—A. "18 miles. It may be 18 miles closer."

I presume that would be closer to Chatham?—A. Yes, I presume so.

Q. Now, apparently that is the difficulty which we will ask you to explain, that whether these people belong to your Association or not, they are apparently using this book?—A. They evidently are using that book.

Q. And it does seem unfair, on the face of it, at least, that a man buying sugar in Ingersoll, 18 miles nearer the point of production at Chatham, should have to pay 19 cents per hundred more than a man in London?—A. Of course, I am not defending the Dominion Sugar Company, they will have to explain that themselves, but you have to take into consideration the fact that it costs more to get the raw sugar to Chatham than to Montreal, and although they sell on the same basis—for instance, the basis price named by the refineries to-day is $11.10 at Montreal, so to the Chatham refinery, the raw product would cost them the difference in rate from Montreal to Chatham, and if they are using the same basis to sell on, of course it is equalizing the freight.

Q. Here is another piece, rather more striking:

> "Hamilton is quoted at 35 cents per hundred pounds, while Dundas, which is about 5 miles from Hamilton, is 56 cents per hundred pounds."

—A. Yes; I want to explain this and clear up that point. In order to equalize the freight and sell sugar at the price sugar is sold to-day, it is sold delivered, freight paid, to every point in Ontario. In order to work this equalized rate system, we have the refineries, we prevailed on the refineries to sell their sugar to the wholesalers at a delivered price, and to absorb part of the freight to all points. That is, in Hamilton, although they sell the sugar to Hamilton—the rate to Hamilton is 29 cents; that is what it costs a Hamilton wholesaler, 29 cents, the other 6 cents is truckage, the truckage rate, so it is 35 cents—it really costs him only 29 cents to get it there. The actual rate of freight from Montreal to Hamilton is 45½ cents, so that the refineries are really absorbing 16 cents of the freight. They are losing 16 cents of the freight when they deliver sugar at Hamilton at 29 cents, although it costs 45½. There are no wholesalers in Dundas, so the rate to Dundas is based on the actual rate of freight from Hamilton to Dundas, plus the rate from Montreal to Hamilton as laid down by the refineries, and then that rate to Dundas as named there is considerably lower than the actual rate of freight if the dealer bought his sugar in Montreal and had it delivered at Dundas.

Q. It is not clear to me yet. We are dealing with rates.—A. It is a freight rate system entirely.

Q. Why should the Hamilton man get his sugar delivered for 35 cents, when his neighbour in Dundas, within twenty miles, I guess—A. I think within ten or twelve miles.

By Mr. Sales:

Q. Ten miles further or ten miles nearer?

The CHAIRMAN: It is to the north, I should think. It is ten miles further on. He has to pay 56 cents.

The WITNESS: Yes.

By the Chairman:

Q. Explain why that is, and then will you justify the difference?—A. I will turn up the rate to Dundas. Every shipipng point in Ontario is in this book, with the actual freight to each of these points. The rate to Hamilton, from the refiners—the wholesale grocer gets sugar in Hamilton that costs him 29 cents he gets it from the refineries, with a truckage of 6 cents in and out. That is the regular truckage approved by the Board of Railway Commissioners, so that it is costing him 29 cents with the plus 6, which is 35 cents, and if he ships it out to Dundas, there is the other 6 cents, which is 41 cents. The freight from Hamilton to Dundas is 15 cents, which makes it 56 cents. If a man in Dundas says "here, I am going to buy from Motnreal, where the sugar is made" and if he gets a shipment from Montreal of anything less than a car, it is going to cost him 65 cents.

Q. Suppose he orders a car?—A. If he orders a car he gets it at the actual freight. All carloads are sold at an actual rate of freight.

By Mr. Sales:

Q. What is the actual rate of freight on a carload?—A. From Montreal to Dundas the actual rate of freight would be 46½.

By the Chairman:

Q. Is there any other equalization of freight rates by carload lots?—A. No, sir, not now. On carload lots the actual rates on the freight that is payable is charged, but all sugar is sold at the Montreal base price, for instance, to-day was 11.10.

Q. If a Hamilton grocer, say, wants a half a car, we will get it at the 35 cents rate.—A. A retail grocer.

Q. If he wants half a car?—A. Yes.

Q. He will get it at 35 cents?—A. Yes.

Q. Suppose a Dundas grocer wants half a car, he will not get it?—A. No, sir, because freight has to be paid from Hamilton to Dundas.

Q. That is what the railways charge?—A. It is all what the railways charge. Sugar is sold delivered at Dundas. All sugar is sold delivered at every point in Ontario. No retailer pays the freight charge.

Q. This apparent injustice depends on the railways, who charge enormously different to places that are close by each other?—A. Oh, no. You know of course the railway freight are absolutely submitted to the Board of Railway Commissioners and approved by them. We have to base it on actual figures.

Q. I want to understand this. It seems to me strange, and I want to understand it, what justification there is for making a man in Dundas, a grocer who wants to get half a car of sugar, pay 56 cents a hundred pounds, I suppose?—A. Yes.

Q. While his neighbour in Hamilton, less than ten miles away, can get that for 30 cents?—A. If the man in Dundas wants to go to Hamilton and buy

his sugar in Hamilton and have it shipped to Dundas, he has a perfect right to do it.

Q. Take two grocers in equally good credit, both of whom buy the same quality from the wholesaler in a year.—A. Yes.

Q. Does it not seem unfair that one man should have to pay more than half as much again on his freight on the sugar?—A. No, it does not, because there is no way of his getting it cheaper any other way. He has the privilege of going into Hamilton and buying it at Hamilton if he wants to, and pay the Hamilton price and truck it out himself.

Q. You may be in the grasp of circumstances which you cannot control.—A. Yes.

Q. As a fair-minded man, does it not appear to you to be unfair that a grocer in Dundas has to pay more than half as much again for his sugar, as far as freight is concerned?—A. Just for freight, that is all.

Q. As far as freight is concerned, as the man in Hamilton?—A. No, I cannot see any unfairness in that. The difference is in the actual freight and truckage that has to be paid on it, Mr. Chairman. He is paying $11.10 to-day at Montreal for the sugar. That is the basis on which he pays his freight, and if he bought that sugar at Montreal and had it shipped to Dundas, instead of buying it from Hamilton, it would have cost him a great deal more than that rate. We are making it possible for him to get it a little cheaper, and the reason we are able to do that is because the refineries absorb part of the freight to Hamilton.

Q. Why should not they absorb part of the freight to Dundas?—A. because they are only doing it to competing points, that is, where there is a wholesale grocer who buys from them in carloads. That is recognized as a competing point, because all refiners are competing for that one point, to sell that wholesale grocer.

By Hon. Mr. Sinclair:

Q. Am I right in understanding that if a merchant in Dundas wants to buy sugar, that sugar has to come from Montreal and Toronto in carload lots?—A. Yes.

Q. At the 35 cent rate?—A. Yes.

Q. It is the rate?—A. Yes.

Q. If he bought in Montreal he would have to pay the Montreal rate?—A. Yes.

Q. He gets the benefit of the local rate to Hamilton?—A. Yes.

Q. Less the local rate to Dundas?—A. Yes. You have explained that perhaps more clearly than I have.

By Mr. Sales:

Q. What can a man buy sugar in Hamilton to-day at?—A. $11.10 plus 35 cents, if he goes in to Hamilton to buy it in the wholesaler's warehouse.

Q. $11.45?—A. $11.45.

Q. If he buys a carload in Montreal?—A. $11.10 plus 46½ cents.

Q. If two or three grocers got together at Dundas and said "we will buy a carload of sugar from Montreal," it costs them $11.56½, but if they go separately to the wholesaler in Toronto they can buy it for $11.45?—A. That is it exactly. Is it not a benefit to the retailer? It is a benefit to the retailer absolutely. It is of no benefit to the wholesaler, excepting they are all selling at the same price and using the same equalized freight.

By Hon. Mr. Sinclair:

Q. Why should not the retailers of Dundas have an opportunity of buying a carload in Montreal and getting it for 46½ cents?—A. That is the actual rate of freight from Dundas to Montreal.

Q. Can they do that?—A. The retailer cannot buy from the refinery. The refinery uses the wholesale grocer as their distributing medium. Any wholesale grocer can buy from a refinery and have it shipped to the retail men in Dundas, and he gets it at that basis.

Q. You refuse to sell the retailer?—A. I am speaking for the wholesale groceries.

Q. I am speaking of the refineries?—A. The refineries only sell to the wholesale trade. That is their method of distribution, because they claim that is the cheapest method for them to market their sugar on.

By Mr. Sales:

Q. What profit do you make on a sack of sugar?—A. 5 per cent.

Q. The shipment is made direct from the refinery to the retailer?—A. In carloads only. If it is a small lot, ten or twenty bags, less than a car, they ship from a wholesale centre.

Q. If it is a carload you get 5 per cent?—A. We get 15 per cent from the refinery, but the buyer gets a rebate on his quantity purchased from the wholesale grocer.

Q. Of what?—A. 8 cents per hundred pounds.

Q. That would represent to-day 50 cents a hundred pounds?—A. On to-day's price, it is a little over 50 cents a hundred pounds. It is 55 cents exactly, but we allow 8 cents off that, but the price of sugar in the last few months has gone from under 8 cents up to 11 cents.

By Mr. Sales:

Q. The higher it goes the more money you make?—A. The more total. The percentage is just the same.

By Mr. Caldwell:

Q. On the same amount of sugar?—A. Yes.

Q. When sugar is 11 cents you get 55 cents, and when it is 8, you only get 40 cents?—A. Yes.

Q. You are interested in the price of sugar being high?—A. No, we would rather have it at a stable price.

By the Chairman:

Q. Because if it gets high the demand drops off—A. Yes, and there is an additional risk right through.

By Hon. Mr. Sinclair:

Q. Is there much additional sugar used when the price drops?—A. I would say it is noticeable.

By the Chairman:

Q. You have been in this business for some years?—A. Yes.

Q. Do you find that most refiners sell to you at the same price?—A. I would say generally, but for instance, I can show you lists within the past two or three weeks, indicating that the four refineries have different prices, but generally the prices will follow. A drop will occur, and within 24 hours they generally all drop, and if an advance takes place, you generally see that within 24 or 48 hours, that they are generally all on the same basis, although there are

quite a few cases where there is a difference in price. For instance, at the present time one refinery is 25 cents per hundred higher than the other three.

By Mr. Caldwell:

Q. Have the prices gone up so fast that they have not been able to catch up to them?—A. I could not tell you what the reason was.

By the Chairman:

Q. You have been in touch with sugar for many years?—A. Yes.

Q. No doubt the present situation in regard to sugar has attracted your attention?—A. Yes.

Q. Would you mind giving the Committee the benefit or your business experience as to what you think this present situation is due to?—A. I really could not give you any information; I could not give you any opinion upon that point, I really could not, because I really do not know.

Q. I can easily understand you not knowing, but I think you should be able to form an opinion.—A. I know this, Mr. Chairman, that it has puzzled a good many people who have been in business longer than I have. The present prices in Canada are governed largely by prices in New York. Probably the refiners will enlighten you. I understand they have to come before the Committee next week.

Q. You think they can give us some information upon that point?—A. I think so, although sugar is only a part of the wholesale grocers' business. There are a great many other lines.

Q. The price of sugar is something which has attracted a great deal of attention lately.—A. It always does.

Q. I would have thought a gentleman of your experience and—if you will pardon my saying so—apparent ability, would have in his own mind at least some ground for a possible explanation of this rise.—A. Let me tell you this, Mr. Chairman that the President of the American Sugar Refinery, one of the biggest refineries in the United States, in a recent interview, could not account for the rise in raw sugar.

Q. I remember some years ago there was a party in the United States which was called the Know Nothing Party; he may belong to that party.—A. Maybe he does. He has been in the sugar business all his life and evidently has guessed the market wrong, because he has said that there is nothing to warrant this advance. He has stated that in an interview, and in spite of his views he was not going in and purchasing.

Q. Can you see anything to warrant this advance?—A. No, except that it has been stated by the Department of Commerce, under Mr. Herbert Hoover, of the United States Government, that there was a shortage in the world's yield of sugar. That I understand was the first thing that started an upward rise in the price of sugar.

By Mr. Hammell:

Q. It boosted the price?—A. It boosted the price. Statistics I understand issued by the United States Government showed that the Cuban crop, which is the basic crop in sugar, did show a tremendous falling off. That was a prediction as to what the crop would be.

By Mr. Sales:

Q. The issuing of these statistics by a Government may be a very bad thing?—A. That is what a very great many people have criticised the Department in the United States for doing.

Q. The speculator gets in?—A. Yes.

Q. And up goes the price?—A. Yes.

Q. And when there is a large crop of wheat, down goes the price?—A. Yes.

By Mr. Hammell:

Q. The information leaked out prematurely?—A. It leaked out through an interview with one of the officials of the Department of Commerce. It was partly denied afterwards, although not completely. Although the United States Government has lately instituted proceedings to try and find the cause, through the Attorney-General's Department, they have not yet found the cause.

By Mr. Sales:

Q. Let me go back to my question. When there is a shortage, that induces the speculator to go in, and the price goes up?—A. Yes.

Q. Then when there is a big crop the buyer will naturally hang off?—A. Yes.

Q. And the price will go down?—A. That seems to be the trend.

Q. So that the issuing of statistics to the producer of say cotton, wheat or sugar, when there is a big crop naturally means a lower price for it?—A. Yes, it seems like that.

By the Chairman:

Q. This little book which is marked as Exhibit No. 65, by whom is that issued?—A. That book is issued by our Association, the Wholesale Grocers' Association of Ontario.

Q. Turn to page 4, to the paragraph headed "Direct Violations", Rule 4, which reads in this way:

> "Rule 4. To make bets with buyers, to offer baits or bribes or inducements of any kind, to quote other lines low as an inducement to effect a sale of sugar, to give greater discounts than provided for in this Code, or to allow or agree to allow buyers a sum greater than the actual freight paid on shipments, shall be considered a direct violation of the spirit and letter of the Equalized Rates System."

A. Yes.

Q. First of all do your buyers have to sign any contract with you?—A. Absolutely no.

Q. I presume they have been provided with copies of this book?—A. They get a copy of it.

Q. And they will be told that they are expected to comply with the letter and spirit of the rules set forth?—A. Absolutely.

Q. If they do not do so, what happens?—A. Nothing has happened. We try to keep them in line, but it is a difficult thing. This is a code of rules, a code of ethics that we would like to see carried out. We must say that these rules are not always lived up to, but there is no remedy.

Q. We can quite understand that the making of bets is unethical.—A. Yes.

Q. Although some of us might not think it is so unethical in other lines. "—to quote other lines low as an inducement to effect a sale of sugar," what would be unethical in that?—A. Merely that if a party wanted to do so, he could cut say the price of prunes two cents a pound, and really give a cut on sugar. I am only illustrating it in that way. He is selling prunes below cost as an inducement to get a sugar order.

Q. "—to give greater discounts than provided for in this Code." I do not know whether that falls under the definition of piracy as given by the Secretary of the Retailers' Association, but it would be regarded as extremely reprehensible?—A. Yes. We think everyone should live up to these rules.

Q. Before you pass on, have you the same objection to people selling at prices higher than these?—A. Yes, sir, absolutely.

Q. There is nothing stated in the rules against the increasing of the price, is there?—A. No. I don't know whether that is particularly mentioned here. I do not think it is. Such a thing never occurs; it is impossible. Competition is too keen, for one thing. Competition would regulate that, anyway.

Q. As a matter of fact you rather open the door to selling higher?—A. No.

Q. Look at Rule 7:—

> "Rule 7. The lowest selling prices for sugar to all points mentioned in this pamphlet and for towns receiving sugar at these respective points, shall be the refinery base price ruling on the day and at the time of sale."

—A. Those are the instructions as to how to arrive at the price.

Q. At the lowest selling price?—A. Yes.

Q. As far as I have read the rules (I have not perused them all) there does not seem to be any prohibition or even active discouragement to selling at higher prices.—A. There is nothing in the rules to say distinctly that it cannot be done.

Q. You say competition takes care of that?—A. Absolutely.

Q. Now turn back to Rule 5:—

> "Rule 5. Refiners will, if they deem such a course advisable, in the interest of honourable dealing, request of the wholesaler or salesman a declaration in such terms as they may deem necessary."

What does that declaration refer to?—A. I have never known a case where a declaration has been required. If a refiner thinks that these rules have been violated, he can ask for a declaration that the wholesaler has kept the rules.

Q. From your long experience, have you any method to suggest whereby the costs of distribution in this country can be cheapened or made less?—A. Mr. Chairman, my view, as I have stated on many occasions, is that the most economical method of distributing goods to the consumer is from the manufacturer to the wholesaler, from the wholesaler to the retailer, and from the retailer to the consumer. No other more economical way of doing it has yet been found; if it was, the wholesaler would not be in existence. The only reason the wholesaler is in existence to-day is because he is performing an economic service. A manufacturer has no particular love or regard for the wholesaler. The only reason he is using the wholesaler for distributing his goods is because it is cheaper for him to do it that way. If it were not, he would not be a good manufacturer or a good business man, if he was paying the wholesaler more than any other way would cost him. It is because the wholesaler is the most economical, and he uses that method. It has been investigated in a great many ways and in a great many Courts. This Association of ours has been proceeded against on four different occasions since 1910, and in every case all the charges against us have been dismissed, and our methods have been absolutely upheld. The recent decision of the Appellate Court in Ontario, with which you no doubt are familiar, in which His Lordship Chief Justice Meredith stated that these sections of the Criminal Code referring to trade regulations are ultra vires, dismissed the charges against us, and our system was upheld by that Court.

Mr. Sales:

Q. How many sacks of sugar are there in a car?—A. The refineries insist upon a 300-bag car, but the railways are insisting upon a 400-bag car. At the present time we can still get a 300-bag car.

Q. Do you encourage the retailers to buy in carloads?—A. Yes.

Q. They get the benefit of the credit and of the freight rate?—A. Yes.

Q. What service do you render to the retailer who buys a carload of sugar?—A. We give him so many days' credit. We have to pay the refineries in eleven days from the date of purchase.

Q. Your customer takes how long?—A. He takes thirty, sixty, and sometimes ninety days.

Q. You have discounts covering those different periods?—A. No, strictly thirty days.

By the Chairman:

Q. Your customers pay interest afterwards?—A. It says so in the rules, but that is not often enforced.

By Mr. Sales:

Q. It is a matter of clerical work very largely, is it not?—A. Yes.

Q. The 400 bags constituting a car gives you $188; isn't that pretty expensive for clerical work?—A. No. You are figuring on to-day's basis. The average price of sugar has been around 7 cents.

Q. I am taking it at to-day's price, 55 less 8, which would be 47?—A. Yes.

Q. 400 bags would give you $188?—A. Yes.

Q. We get a carload of wheat containing 60,000 pounds for very much less than that.—A. That is merely brokerage you are speaking about now?

Q. Yes.—A. The wholesale grocer buys the sugar outright. You are citing an extreme case, because I would say that 85 per cent of the sugar is distributed in less than carload quantities—fully 85 per cent.

Q. If you wanted to get economical distribution, you could get three or four to say that they would take a carload of sugar together?—A. They are doing that to-day.

Q. With all due respect to your Wholesale Grocers' Guild, it seems to me that that $188 is too large a profit for the work you do.—A. It is a transaction of over $4,500.

Q. $4,500 and thirty days?—A. The average cost of doing business in the wholesale grocery line, taking the lowest cost with the highest cost, the average cost of doing business is slightly over 9 per cent on the sales.

Q. But those sacks you never see.—A. Our overhead is just the same in any wholesale grocer's establishment. Unless he develops sufficient business so that he can do away with a certain number of clerks or trucks, his overhead is just as great as ever.

Q. Surely it is not as great if the sugar does not go into his warehouse at all.—A. He does not reduce the overhead a bit by selling at less.

By the Chairman:

Q. He must have a greater profit on that particular item of business?—A. If he gets sufficient of that business so that he can dispense with the services of some of his clerks, warehousemen or trucks, he might have.

By Mr. Milne:

Q. Are you encouraging or discouraging that business?—A. We are encouraging the carload business. There is very little of it done; the sum involved is very much too great for the ordinary retailer.

Q. When did the thirty days come into effect?—A. It has always been in effect.

Q. I have always bought it at 15 days.—A. Are you in Ontario?

Q. No, I am in Manitoba.—A. This is purely Ontario. It is only Ontario that I am dealing with.

By Mr. Gardiner:

Q. You get eleven days from the manufacturers to settle for your carload of sugar?—A. We get eleven days from the date of purchase.

Q. The retailer gets thirty days?—A. Yes.

Q. In the event of a carload of sugar being shipped direct from the refinery to the retailer, under those particular circumstances you would only be carrying the retailer practically nineteen days?—A. Well, yes. We have to pay in eleven days from the date of purchase, not from the date of shipment.

Q. The date of purchase?—A. Eleven days from the date of purchase.

Q. Are the shipments not made immediately?—A. Generally within three or four days.

Q. Practically speaking you carry the retailer approximately about twenty days?—A. Yes.

Q. Not thirty?—A. That is correct. The terms are thirty days, but the thirty days are not observed. It is generally forty, forty-five, or even sixty days, with no extra charge.

Mr. SALES: The business is carried on at too big a profit.

Witness retired.

The CHAIRMAN: Mr. Ruddick has been waiting here all morning. We will be glad to have him come forward now.

JOHN A. RUDDICK, called:

By the Chairman:

Q. Mr. Ruddick, you do not need to be sworn. What is your position in the Department of Agriculture?—A. Dairy Cold Storage Commissioner.

Q. You have been acting the part of a candid friend, Mr. Ruddick, with the butter and cheese people in Montreal. We thought you might have something of value to tell the Committee this morning along what lines we can get better agricultural conditions, especially those lines in which we are interested. —A. Well, Mr. Chairman, if you refer to a statement which appeared in some of the morning papers of Wednesday, I think it was, in which I was reported to have said that Canadian cheese had fallen back to the second or third place and the butter was even worse, and that all our methods were absolutely out of date—I want to say that I never made any such statement.

I was in Montreal to meet my own staff and the members of the Montreal Produce Merchants' Association, to discuss the question of grading, which is a new service inaugurated for the first time this year; and incidentally some questions were asked regarding the position of Canadian Dairy produce and its relative standing as compared with other countries. I made no reference whatever to the relative standing of Canadian cheese and butter, but there was another gentleman present, an importer, from London, who did make some remarks and I think the reporter got it twisted. I corrected the statement myself on the following day, and you have probably seen that. I made no such statement.

The CHAIRMAN: As a rule the correction never gets the same publicity as the original statement.

The WITNESS: It does not. The Montreal Gazette had a fair report of the meeting. However, I don't mind saying, and I think the Committee will know this probably, that Canadian butter, or Canadian cheese, if you like—

let us take them separately, because they do not go well together in this case—Canadian cheese has not quite the same position in the market to-day that it had some years ago; but that is not because Canadian cheese has fallen off; it is because some of our competitors have made considerable progress. For many years, and in fact for the last thirty years and until quite recently, Canadian cheese was almost without a competitor in the British market. We exported at one time 95 per cent—or at least the particular class of cheese which we make, 95 per cent of it was supplied to the Old Country market by this country; but at the present time New Zealand is supplying rather more than we are. They have made tremendous increases in their production, and our production of cheese has fallen off because we have diverted the milk into other channels, to make condensed milk and to make more butter.

By the Chairman:

Q. I suppose it is more profitable?—A. Exactly.

By Mr. Caldwell:

Q. And more is used in the manufacture of ice cream.—A. Yes, and more milk for use in the cities. We are producing more milk in this country every year than we did the year before. We have increased our total production of milk every year ever since I have been connected with the business, and that is longer than I care to think about.

The CHAIRMAN: No one would judge that, sir.

The WITNESS: There is no diminution in the production, but there are changes in the production of dairy products. We are not making as much cheese as we did, and I think it is a good thing. Some people deplore the falling off in our cheese exports. I want to know how we would have sold as much as we used to make with this other large production from New Zealand. We are down about 100 million pounds or nearly that from our maximum of 1904. If we still had that much to export, the market would be demoralized, and it is a good thing that we have found more profitable channels for our increased milk production.

By Mr. Sales:

Q. You are recognizing there very clearly the danger of over-production. —A. I don't see very much danger of over-production on the whole. The milk which is produced in the world goes into many different channels. There is condensed milk; milk powder; milk consumed directly; butter; cheese, and all that sort of thing, and all these articles, with the exception of raw milk and cream, are articles of international commerce, and the prices are regulated by the world's markets. Local conditions affect them very little, if any, except temporarily. If there is an over-production of cheese, if we find New Zealand, Australia, South Africa and some other countries making cheese of the same kind as we make, are beginning to increase their production, there is a tendency for the market on cheese to go relatively lower than the price of butter, and therefore there is a diversion at once to butter making. That is what happens all the time and these things regulate themselves very well so that on the whole I don't see any great danger of over-production, and I don't see the slightest danger of any country feeling the effect of over-production if it makes an article of the highest quality and keeps to the top. And that is our chief concern, I think, to make an article of the very best quality and supply it as regularly as possible, to the market which we cater to and that is the market of the United Kingdom.

By the Chairman:

Q. Have you any suggestions to make for improvement, or any example which we may profitably follow, from what our competitors are doing?—A. Well, Mr. Chairman, if I may be allowed to put it in this way. I understand you are not investigating conditions in New Zealand or Australia, but as you are probably aware, I have recently returned from a visit to Australia and New Zealand, where I went for the purpose of looking into conditions there generally, their methods of production, their practice and one thing and another. Now I have just got back and I have been extremely busy with other matters and I have not had time to get that data put together and to study the situation so as to make a definite statement. I think it is a matter of considerable importance, and a good deal depends on the way in which it is put out. It is very easy, as you see from my experience in Montreal the other day, to get things very badly misrepresented.

Now I think that we are making a very long step in advance this year in this country in the grading of our dairy produce regularly. Perhaps we should have done that some years ago, but I have not been very enthusiastic about it myself, because I knew something of the difficulties that there are in proposing a system such as we will require, for a business that is so long established as the export trade in butter and cheese, from Canada.

Members of the Committee may not be aware that about 25 years ago I went to New Zealand to re-organize their system, and I do not mind saying, Mr. Chairman, that the New Zealanders are good enough to give me some credit for the progress which they have made since. It was rather with mixed feelings that I looked on this progress when I was over there, as a Canadian. However, that is a personal matter.

Q. Your personal pride had to battle with your patriotic regret?—A. To some extent, yes. Now New Zealand has had a grading system ever since, over 25 years ago, and their export trade grew up under that system and it has had to conform to the grading system.

Q. Did you suggest that grading system when you went over there?—A. No, sir, it was in existence when I went there, but it was not very well organized, and we put it on a somewhat different basis; but the principle has been accepted from the beginning or their export trade and they were the first country in the world to undertake that sort of thing.

Q. Even before Denmark?—A. Well, Denmark does not have any grading system to-day in the same sense of the word; but they have a different system, which prevails on the Continent of Europe, of controlling the exports so that nothing but high grade produce is exported under a national brand. That is a somewhat different way of reaching practically the same result.

I think we are making a very decided step in advance by adopting this system. We did not suggest it before, because of the difficulties which we saw, but we think it has become sufficiently important now, that we must meet this question in some way and we are going to have it and it is working very nicely at present. That is one way in which we hope to improve and keep up the standard of quality.

I think the time has come in this country when there will have to be some reorganization of the manufacturing end of the business. We are competing with other countries where they are carrying on the manufacture in large factories, where they have excellent management. And if we fall down at any point in our manufacturing it seems to me it will be through lack of management. In many of our factories there is absolutely no management whatever. They are so small that they cannot afford to pay for management.

I have no objection to the small factory as such, because I believe that just as fine a quality of butter and cheese can be made in a small factory as can be

made in a large one. In fact in many cases the chances are in favour of the small factory: but on the point of management and marketing, and the general handling of the business, the large factory has the advantage. I feel that some encouragement will have to be given and something will have to be done to eliminate many of the small factories or to get them amalgamated in some way.

The department has been trying to do something of that kind; trying to set an example along that line by running a factory down here about 40 miles from here, at Finch, in Stormont County. There were two small cheese factories struggling along and fighting each other. We got an option on both factories in 1912, they are within a mile of each other and we called the people together. They were so antagonistic that they sat on opposite sides of the hall; they would not mix together even at a meeting. The first year we ran that factory we got two million pounds of milk. Last year we got nearly nine million pounds of milk, and we could have had a great deal more.

Q. From practically the same area of country?—A. A somewhat larger area, but even the original patrons of the factory have shown a very large increase in production. Some of them have trebled their supply of milk in those years. Now we have been able to obtain more money for the patrons, and that is the reason the factory has grown; because we put in a good equipment; we are prepared to make butter and cheese or to sell milk or to sell cream or to supply the market with that which will bring the most money, and I think in the last two or three years the average return per hundred pounds has been about 20 cents higher than the surrounding cheese factories have been able to pay. The result is we almost have to put a guard on the place to keep certain farmers from bringing their milk; we cannot handle it as fast as they bring it in.

Q. And this is government operation?—A. Yes, and in spite of the fact that we have run this place as a demonstration factory, tried all kinds of new machinery, new processes and one thing and another, my man who has immediate charge of that told me just before I came up here that the profit last year was $3,600.

Q. On capital investment of what?—A. Of about $25,000.

By Mr. Caldwell:

Q. Where is this located?—A. At Finch, between here and Cornwall on the New York Central Railway, 40 miles from here. The additional money that we have paid to the patrons of that factory nearly pays for the plant in one year.

Q. I wish you would come down to New Brunswick and start something?—A. You have different conditions down there; this is one of the greatest milk producing districts in this country. We get that milk all within three or four miles.

Q. How far is it possible in your opinion to transport milk to a factory of this kind and make a profit where there are good railroad facilities?—A. I don't think it is practicable to transport milk to a cheese factory by rail; the process of making our kind of cheese is such that you must have the milk in the factory by eight or nine o'clock at the very latest. We get the milk in there much earlier than that, as early as seven o'clock.

Q. Is it possible to transport milk farther to butter factories? —A. They transport the cream to butter factories, and there is almost no limit to that; that is an entirely different proposition. It is only in districts where there is intensive production of milk you can operate a cheese factory.

Q. In our country it is not because we are sparsely settled, but because we are not keeping a very large number of cows?—A. I don't know your county; the cheese district I know is around Sussex.

By Hon. Mr. Tolmie:

Q. In recommending larger establishments, you say they have larger creameries in New Zealand than we have here?—A. Yes, they are hardly comparable at all. It is on a different basis; our largest cheese factories in this country are looked upon as small factories there.

Q. They ship cream?—A. Some of them do, and some are whole milk; the cheese factories of course are all whole milk. The largest cheese factory I visited down there made about 1,000 tons of cheese, I understand. As far as I know the largest cheese factory in Canada to-day makes about 300, and all that milk for these thousand tons came within three miles, and there were only 75 suppliers.

By Mr. Sales:

Q. Is New Zealand producing to her capacity now?—A. No.

Q. She has a lot of land?—A. Yes, very considerable land, and a lot of land that is now devoted to grazing, sheep farming, and to some extent cattle raising, which will probably eventually come into dairying and they are clearing up some land.

By Hon. Mr. Tolmie:

Q. In shipping that cream long distances down there in warm weather are they favourably enough situated so that they can get it in fresh condition?—A. Yes, they get the cream in in better condition than they get it to the creameries in this country, because it is not warm weather; it is rather cooler in New Zealand than it is in Canada. In some places they make daily deliveries and in other places, say, four times a week.

Q. I have seen pictures of milk shipped long distances in the United States to creameries where it was all foaming over, and it looked like beer?—A. They do not have anything like that in New Zealand, and they have a very strict system of grading.

Q. Do they use lime for mixing with the cream to destroy the acid?—A. That is general practice everywhere, not lime, but bicarbonate of soda; that is not added for the purpose of reducing the acid, but added for the purpose of pasteurizing it; that is the reason for adding neutralizer.

Q. That is used in this country?—A. It is used all over the world where butter making is carried on.

Q. That is in no way a contravention of the Dairy Act?—A. No.

Q. That is provided for in the Dairy Act?—A. It does not remain in the butter; it goes out in the buttermilk.

Q. You said we are keeping up to our standard in this country pretty well?—A. I think as far as the quality of our Canadian cheese is concerned it never was better than it is at the present time.

Q. Our butter is generally increasing?—A. Our butter I think has increased; we have improved our methods. I think our butter makers are more skilful and better trained to-day than they ever were before, but there has been a tendency to reach out for quantity and overlook the question of quality.

Q. You have a butter maker's school or convention up here every year?—A. Yes.

Q. You have found that a great advantage?—A. Yes.

Q. The result is you send out thoroughly trained men, and men who are right up to date?—A. Of course we do not do very much in the way of training in this department; that is a matter which is dealt with at the dairy schools operated by the provincial departments.

Q. You bring them up here?—A. We have conferences. With regard to the butter situation there is this to be taken into account; we have been marketing nearly all our butter in Canada of late years, and during the last ten or twelve or fifteen years our exports have been comparatively small, two or three million up to about twenty million last year, which was the largest since 1903. Now we make creamery butter alone possibly this year 145,000,000 pounds, and yet you see we have only exported—last year we made about 133,000,000 and exported 23,000,000.

Q. What was the total make of butter, creamery and all other kinds, dairy, throughout Canada last year?—A. We have not any exact figures on dairy butter, but we think there is nearly about 100,000,000 pounds of dairy butter and about 133,000,000 pounds of creamery; (the creamery butter is known exactly)—about 240,000,000 pounds. Of course that includes all the butter made on the farms consumed on the farm, and every pound of butter made no matter where it is made; it does not find its way into the market. But I wanted to finish that point about the position of our butter in the world's markets. Butter makers have been catering to the local market. The Canadian market is not as critical as the export market, and they like butter with a lot of salt in it. Speaking generally they like a good deal of salt, that is relatively a lot of salt, and when that butter that has been made for that market goes over to the Old Country it is objected to very strongly on account of containing altogether too much salt, and that is one of the difficulties.

By Mr. Caldwell:

Q. That is the Englishman wants his butter comparatively fresh?—A. Yes, and mild.

Q. There is very little salt?—A. Yes.

Q. He takes his salt in his beer?—A. New Zealand has a very small population and exports a very much larger proportion, and they have been catering entirely to the British market, just the same as Australia has.

By Hon. Mr. Tolmie:

Q. What is the idea of the Canadians adding so much salt?—A. I am sorry to say that some of them, I think, think it is good business. They get a higher price for the salt than they pay for it.

Q. What is salt worth a pound?—A. About two cents, but there is not very much of that.

The CHAIRMAN: Is it not our custom, and do not the Canadian people like a fairly well salted butter?—A. Yes.

By Mr. Caldwell:

Q. The fact is that butter that would suit the Englishman would not suit the Canadian at all?—A. No.

Q. It would be too fresh?—A. That is one of the things that we have in front of us, those of us who are trying to regulate matters, that we must educate people in Canada to take butter with less salt, so that when the butter is made, although the butter man may not know whether it is for export or local consumption, it will suit the export trade if it is required, because we cannot get first place with our butter or anything like it unless we meet those conditions.

Q. And the butter keeps equally as well without salt?—A. Better in cold storage; in cold storage salt is an injury to it.

By Hon. Mr. Tolmie:

Q. Some of our big hotels have adopted that unsalted butter?—A. Yes, there is very much less salt used out west than there is in the east, and the reason for that is they have had to compete with the New Zealand butter that was coming in from the coast

By the Chairman:

Q. So that competition was the thing that made them improve their article?—A. Exactly.

By Mr. Munro:

Q. Can butter be produced as cheaply in this ountry as in New Zealand? —A. I cannot give you exact figures on that; I can give you some general statement. I do not know what butter can be produced for here, and I don't believe any man knows; you will get all kinds of figures, but you cannot get anything very accurate. But I take it that in a large general way in New Zealand there is one thing against them, the price of land is high. Good dairy land is worth one hundred pounds an acre, $500 an acre; it has been sold as high as one hundred and seventy pounds an acre during the boom the last few years, but those who bought it realize now they paid too much; the price has got to come down.

By Mr. Sales:

Q. Have they a twelve months growing season?—A. In some parts of the country you may say they have a twelve months growing season, but I don't know that they get any more off the land in the twelve months than we get off our land in the shorter period.

By Mr. Caldwell:

Q. They get more grazing?—A. They get a longer period of grazing, and it is good for dairying, but the growth is much slower than in that long season.

By Mr. Sales:

Q. Do the cattle stay out of doors?—A. They stay out of doors the whole year, especially in the north island, and the same applies to Australia.

By Mr. Caldwell:

Q. Are the flies as bad?—A. I don't know; I don't think they have the horn fly; the mosquitoes are bad.

By Mr. Munro:

Q. How do you account for shipping so much New Zealand butter?—A. There are times when we have had a shortage and the price enabled them to ship.

Q. It comes every year?—A. Yes; some came on the ship I came home on.

Q. We cannot sell at the price they are selling it at?—A. No; you see it comes from New Zealand in the period of their flush production.

By Mr. Hammell:

Q. Their flush production is at the period of low production here?—A. Yes.

By Hon. Mr. Tolmie:

Q. Do they handle their cows more cheaply than we do here, in caring for the cattle, milking them, outside of the feed question?—A. The milking is probably done more cheaply because they have larger herds and use milking machines.

Q. Milking machines almost altogether?—A. Pretty nearly universally.

Q. Operated by members of the family?—A. Yes.

Q. What are the wages for a milkman down there?—A. I do not know. Farm wages are higher than they are here, I think.

By Mr. Caldwell:

Q. And it would take much less to house their cattle?—A. They do not have much housing at all. They have a practice of putting waterproof blankets on the cows during the worst weather. I think the cattle suffer more in New Zealand than they do here from exposure, because a great deal of the weather is very boisterous, cold, and a temperature around about 40 above, and torrents of rain, and I think the cattle suffer a good deal in certain months of the year, certain seasons, from exposure.

By Mr. Milne:

Q. Do they feed silage?—A. They feed a little; they make stack silage.

By Hon. Mr. Tolmie:

Q. What is the favourite breed that prevails there?—A. Amongst the pure breds the Jerseys number more than any other. Among the grades the milking shorthorns are the most numerous.

Q. In the handling of these dairies you visited, can you give us any example of any special case where you can say that such and such a number of cows were handled by a certain number of men?—A. I am afraid you are going to make me anticipate my report.

Q. Very well, if there is anything of that kind do not mention it. I would like to get this last question, in your opinion the market for our Canadian dairy products of high average is practically unlimited?—A. I don't think there is any difficulty about marketing; I think we have been paying a little too much attention to methods of marketing and it has taken the minds of the people away from the real question which is making an article of the highest quality. If you make the quality right you need not worry about the market. The simplest proposition we have got is the marketing if you can get the quality right.

The CHAIRMAN: Mr. Ruddick, we are very much obliged to you.

Witness retired.

The Committee adjourned until 10.30 a.m. Monday, May 14, 1923.

HOUSE OF COMMONS,
COMMITTEE ROOM 268,
MONDAY, May 14, 1923.

The Special Committee appointed to inquire into Agricultural conditions throughout Canada met at 10.30 a.m., Mr. McMaster, the Chairman, presiding.

The CHAIRMAN: Gentlemen, please come to order. Before we start with the witnesses, I wish to bring before the Committee a matter which, I think, merits some attention. Information has reached me that perhaps one or more of our Canadian banks, who do business in Cuba, would be able to throw some

light upon the present situation as regards the price of sugar, and I would like the Committee to pass the following resolution.

Moved by Dr. McKay, seconded by Hon. Mr. Tolmie, that Mr. C. E. Neill of Montreal, General Manager of the Royal Bank of Canada, and Mr. H. A. Richardson of Toronto, General Manager of the Bank of Nova Scotia, be summoned to appear before this Committee at 10.30 a.m. on Tuesday, the 15th day of May, 1923, to give evidence concerning the high price of sugar and the reasons therefor and that they be instructed to have with them and then and there produce the books of their respective banks or extracts therefrom, to determine the amount of loans made by the Royal Bank of Canada and the Bank of Nova Scotia in Cuba, and other West India Islands and in Canada, to producers and dealers in sugar.

Motion agreed to.

The CHAIRMAN: Now, we have Mr. Newman here this morning.

LEONARD HAROLD NEWMAN, called.

By the Chairman:

Q. You are in the Department of Agriculture?—A. The Experimental Farms.

Q. What line of business are you engaged in?—A. Dominion Cerealist. I succeeded Dr. Saunders.

Q. You have also a farm, which you operate yourself?—A. Yes.

Q. And you keep careful books of account?—A. Yes.

Q. What main line do you go in for?—A. Dairying, poultry and certain cash crops, as a side line.

Q. Would you be good enough to place before us the result of your farming operations, pointing out to us what lines you felt it has been wise to follow in this part of the world, and any other information which you think can be of assistance to us in our investigation.—A. I may say, gentlemen, that I took up these farming operations in the spring of 1915. One of my objects in doing so, was to obtain exact data of costs. I had sat around the city in clubs and had discussed with a lot of amateurs and other economists, the costs of production on farms. I felt that it was up to me, if I had an apportunity, to do something that I might throw a little clearer light on the subject, which would be instructive to me and possibly to others. Now, farming with a lead pencil and a piece of paper, is a more or less attractive and fascinating business, but when one comes to farming actually and under present day conditions particularly, it is another proposition; it certainly is a full grown man's job, requiring skill, foresight and judgment of a sort that has not been necessary to the same extent for quite a long while. That is evident, of course, to everyone who observes. Someone has said that farming bookkeeping will put a man in the hole quicker than is physically possible for a man to get there. However, I think it is a good thing for some people to realize possibly that they are already in the hole, so long as they are shown a way to climb out. Now, that things are difficult in agriculture to-day, no one will gainsay, I think. My own farm account has suffered in the same sense as that of others, perhaps for the same reasons, but not quite to the same extent, but I think it has certainly suffered. Many reasons have been advanced for the reasons which have caused this. Some farmers are disposed to think the cards are stacked against them. They sit back and do nothing. They are annoyed to think that the cost of things they have to purchase has not dropped, has not followed the drop in the things they have to

sell. They have forgotten for the most part that at the outbreak of the war the things they had to sell were among the first things that advanced in price, just as they have been the first things to drop at its termination. The data I have collected from my own farming operations are exceedingly valuable, I think, in opening a way to a readjustment of the system to meet the situation.

By the Chairman:

Q. May I interject a question here?—A. Yes.

Q. Would you tell us how big your farm is, how much stock you carry? —A. Yes. The farm is what would be considered an average eastern Ontario farm. It is rated at about one hundred acres. There are a little less than one hundred acres actually, and I have been endeavouring to find out among other things how much stock I could keep on that area profitably by employing the very best means known. I might say at the outset I built a rather large barn, and my neighbours laughed at me and said that I would never fill it on that farm. The farm was in very very poor condition when I took it over, it was very much run down, as you can imagine when you know it had been rented for a number of years, a few years on shares, by a man who lived on a neighbouring farm and who took all the produce he could get away from it and brought back no manure. I have I may say, been paying the high cost of low fertility until now. The pendulum is swinging a little the other way. Last year I had to rent another barn to accommodate the feed I produced, much to the chagrin of some of my neighbours. However, that is by the way. I was going to say that in view of the figures that I have I cannot very well subscribe to the all too common attitude of gloom that many farmers and some others are disposed to hold towards this farming situation. I know it is difficult, and I also realize that the ambitious farmer has got for a while to compete with a little lower standard of living probably, but I don't think the difficulties are at all insurmountable. There are so many things that the farmer himself can do if he would realize that—

By Mr. Sales:

Q. What do you mean by competing with a lower standard of living?—A. I mean there are farmers who are content, perhaps not content, but they are reasonably satisfied to drift along and skimp along and have very little money at the end of the year, and perhaps get a suit of clothes every three or four years. There is that class of man who will scrape along, and he will sell at a low price, and the other fellow has simply got to compete with that sort of thing, in that sense. In attempting to review some of the ways in which the situation may be met, I shall pass over the importance of co-operative effort, lower freight rates, better methods of distribution, and marketing. All these things are immensely important, but I presume they have been taken up here. I imagine what you people would like is some figures of a practical farm run in an ordinary way. Perhaps in passing I might mention this in regard to this matter of marketing; last week at my home town at Merrickville there was loaded a car of potatoes; the farmers were getting 75 cents a bag. I made it my business to inquire what those potatoes were selling at in the city. I went into one store that was the highest, I think, a retail store; and those potatoes were selling at $1.75. Now, it cost 22½ cents a bag to bring those potatoes from Merrickville to Ottawa in less than carload lots, but this car was coming down as a car at car rates; that would be about a little over half that rate.

Q. What is the distance?—A. 42 miles. I simply mention that one particular thing in passing. I am not, as I say, to speak of those phases, but shall confine myself to my own experiences and data as a basis. I shall

endeavour to show that the returns from farming may be increased so as to more nearly offset the depreciation in the buying power of the farmer's dollar. I take it that is what you want.

The CHAIRMAN: I think after all that is the real question, the disparity between the price that the farmer gets for what he sells and the price he has to pay for the things which he uses.

By Mr. Sales:

Q. What could have been saved by co-operative effort?—A. Co-operative buying and selling.

Q. On this car of potatoes you are speaking of what could have been saved had the farmers acted co-operatively?—A. I should say that they could have saved at least, or they could have got 50 cents a bag more for their potatoes.

Q. They got 75 cents?—A. Yes.

By Hon. Mr. Tolmie:

Q. How many pounds to the bag of those potatoes?—A. 90 ponds. I sold my own potatoes at $1.40, because I happened to be living in the city and found some people and sold direct. The other fellows sold out in the country, and they had to take what the buyers were prepared to give; he came along and advised he was loading a car, he would give 75 cents, bring them or leave them; they had to get rid of them; they loaded the car.

By Mr. Sales:

Q. Do you think the retail trade would be sympathetic towards a movement of that kind?—A. I do not imagine so.

Q. I imagine every difficulty would be put in their way?—A. They are going to take all they can get out of it; you cannot blame them.

By Mr. Elliott:

Q How would the consumer feel about it? Would he be sympathetic? —A. He would be very sympathetic.

Q. I do not find they are always that way?—A. If they get the proper goods. I have placed for farmers a good many barrels of apples and things of that sort. Here is one case; I went to one farmer's home in Western Ontario, near Sarnia, in February and he had a large number of barrels of apples in his cellar. I asked him what he was keeping them for, and he said, " I might draw them ten miles to Sarnia and get three dollars a barrel, or I might draw them home again." I said I wish you would send a barrel to a friend of mine in Toronto, express it prepaid and send me the bill. It was sent to my sister in Toronto. That cost $4.28, the cost of the apples and the express from Sarnia to Toronto; and she was paying for exactly the same apples $9.25.

By Mr. Robinson:

Q. Do the farmers know the advantages, have the advantages of co-operation never been preached to the farmers?—A. It has been preached for very many years.

Q. Why don't they do something?—A. In some districts they are trying to do something, but it seems to be a hard up hill work.

Q. I asked you, because where I live the farmers have taken the whole business in their own hands?—A. Many farmers are buying co-operatively, quite largely now, in my own district, but they are weak on the selling end.

Mr. ROBINSON: We are strong on the selling end?

APPENDIX No. 3

By Mr. McKay:

Q. You take the case you gave a recital of with regard to potatoes or apples, I can understand farmers selling co-operatively, but supposing they sent four or five hundred barrels of apples or four or five hundred bushels of potatoes, how would they handle the selling end?—A. They would negotiate with certain buyers.

Q. If I am placing an odd barrel of apples through a friend that is one thing, but to carry on the business as a business the selling end of it is what bothers me.

By Mr. Robinson:

Q. Why could not they establish here their own plant, right here in Ottawa?

By Mr. McKay:

Q. That costs money and there are the delivery charges. You introduce a new factor there, and in my way it is the logical factor to introduce; I may be out here and have friends in the city and be able to send apples and potatoes in to them, but to handle these in quantity it will be necessary to have a warehouse.

Mr. ELLIOTT: It would be necessary to have a distributor.

Mr. MCKAY: Yes.

By Mr. Sales:

Q. Do you think they could do that and still show the saving you are describing?—A. No, I don't think they could, not in any great quantity. There would be certain overhead expenses there. I don't know what the middleman is making, but I presume his overhead at the present time in view of the costs of wages he has to pay is rather high. I think it is too high. One cannot but think though that he is not going behind very much.

Mr. MCKAY: The Government could not intervene and establish a warehouse in every village and town and city for the farmers?

The CHAIRMAN: Unless they establish a socialistic state.

Mr. SALES: Perhaps we had better have a socialistic state.

The CHAIRMAN: I sometimes wonder if I am wrong in my individualistic views. The experiments in state socialism tried in this country so far have not been such a huge success as to make me feel very cheerful towards socialism. However, that is opening a very wide field.

By Hon. Mr. Tolmie:

Q. Suppose we stick to Mr. Newman's story of his farm?—A. I had assumed that that question, which is a very large one, had been dealt with, and you perhaps would prefer to have some exact figures on the farmer's side as to costs and so on. I might say when I started in this last venture in farming, I decided that the very first thing necessary was a real satisfactory set of books.

By the Chairman:

Q. Were you raised on a farm yourself?—A. Yes; I was brought up on a farm and always had great sympathy for the farmer and had rather an inclination or a liking for keeping records, which perhaps was the chief reason why these have been kept. I was surprised to find that there was not any real satisfactory set of books available. I sent to the States for a number, I collected some in different parts of Canada, but I found that these systems had been worked up largely by accountants, men sitting in their offices who

had very little idea of how the farmer feels after a hard day's work. The system I have developed really evolved, it took about a year to work it up, it really evolved at the end of several really strenuous Saturday afternoons, I would wait till I got good and tired before I started thinking about book-keeping, and how much I would like to keep in the way of books. I have now completed my seventh year in which this system has been used. I have found it exceedingly interesting, valuable and simple. Simplicity, I took it at the outset, must be the first essential of the system, and yet a system which would be sufficiently accurate to give information of real value at the end of the year. I tried to get the provincial government in Ontario to print this system in order that I could buy a set from them cheaper than I could have one printed. It cost me about $12 or $15 to get one printed, whereas if they would print a quantity I could get them for $4 or $5 possibly. They examined the system very carefully, and advised me to try and arrange to get two thousand sets printed, and they would take and place a set in the office of each district representative in the province. I went ahead and had those sets printed. I have one here with me. I have not made any money out of them yet, but they have been distributed very widely. The Soldiers' Settlement Board adopted the system, and had about ten thousand of them printed at practically cost, to place in the hands of their soldier settlers. The Quebec Government got us to get out one in French. It has worked out very well indeed. I think, however, the first thing that a farmer who wishes to readjust his system has to to do is to introduce a proper system of books. This system, the main system looks after the financial end exclusively. I think it is a very common mistake to try to combine in an ordinary set of books what we ordinarily call cost accounting. The tendency to combine the two has served to confuse a great many people and to discourage them from keeping books. My idea was, if a farmer could be induced to keep his ordinary accounts in some kind of orderly fashion, that he would come gradually to wish to keep records of cost of certain enterprises, and that the one would lead naturally to the other. I have noticed that on my own farm, in regard to my own foreman, I have watched him, and I have found that he instinctively or unwittingly is keeping more and more detailed records, more than I asked him to do, because he finds they are useful for reference, and of some real value. Perhaps I need not take time to explain the system. I have my own particular set of books here. If you would like to pass them around and have a look at them I will be very glad to have you do so. One book is used through the year. It is what we call a cash book journal. There is nothing very striking or very unusual about this book.

EXHIBIT No. 201

Cash-Book Journal

(Read the following carefully.)

In this book are entered *all* transactions, whether they be cash or credit. The book is in reality a Cash-book and Journal combined. As will be noticed, provision is made to accommodate the Expenses and Revenues of the different departments of the farm in parallel columns.

Where it is desired to divide a department, say the Garden and Orchard Department, into branches, this may be done by considering each branch as a separate *Department* and using columns provided for some other Department which is not now being operated. Thus a fruit grower might not have sheep on his farm, so might use the columns provided for the Sheep Department to

accommodate items concerning, say, his plums. In this case the word "Sheep" would be stroked out and the word "Plums" written in above.

When a page is filled, all the columns should be added and balanced as per instructions at the bottom of the page. The totals are then carried forward into the corresponding columns on the following page.

At the end of the year the totals of the columns are transferred to the Year Book as is indicated on various pages of that book.

How to save space in entering items:

In order to save space in this book items may often be grouped together. Thus, shipments of eggs during the month might first be recorded in a note-book or on special sheets and only the *total* shipments and their value entered. This might save several lines. Other ways of saving space will also suggest themselves to each person, but care should be taken not to go to extremes.

INSTRUCTIONS FOR ENTERING TRANSACTIONS IN PROPER COLUMNS

(*a*) *Accounts with others*.—All items concerning accounts with others are entered in the columns under this heading, and should also be entered regularly in the *Ledger*, each account by itself. These are the only items which require to be transferred or "posted" to another book during the year. When any account in the Ledger balances it should be closed. At the end of the year all outstanding balances should be listed on pages 30 or 31 of the Year Book, where the *totals* of all accounts receivable and payable are assembled.

Departmental Columns:—As indicated above all expenses and revenues are entered in the Departments to which they belong. This may involve transactions between the departments themselves. A good example of this is given below, where grain is taken from the General Produce Department and used for feed in the "Poultry Department."

Where goods or animals belonging to a given Department are bought and only *partly* paid for at the time, the *full* purchase price is entered in the Expense column of that Department, and also in the "Credit" column under "Accounts with others." The part payment of cash is entered under "Cash paid Out" and also in the "Debit" column under "Accounts with others." The same principle applies where the farmer *sells* goods, animals, etc. More detailed explanation of the method of entering expenses and revenues in the various departments is given below.

(*b*) *Dairy Department:*—In this Department all transactions affecting the dairy are entered, whether paid for in cash or not. (See paragraph above re credit items which also appear in "Accounts with others.") Thus all such items as the purchase of feed for the exclusive use of dairy stock (calves included), milk pails, cream separators, new dairy stock, etc., are entered in the "Expense" column. In the "Revenue" column are entered all sales of milk, cream, butter, dairy stock of any age, etc.

By going into detail and charging up the Department with the value of *all* the food consumed by the cattle, together with the cost of all labor expended in their care, a much better idea will be gained of the profit that is actually being made. A very fair estimate can usually be made at the end of the business year, whatever date this comes on, as to the food consumed and the time expended during the preceding twelve months. This method of going into detail as much as possible is recommended, but it is not absolutely essential in keeping a satisfactory set of books.

(*c*) *Poultry Department:*—In this department the chief expenses will be for food, utensils and birds bought, while the main revenue will be from

eggs and birds sold. A relatively accurate record of the total food consumed in this department can quite easily be kept by providing special feed bins. Such an arrangement is strongly advised. Where no account is taken of the food used, the farmer may easily be deceived as to the profits he is actually making from the keeping of poultry. Where grain produced on the farm is used the market value of this should be charged as an "Expense" in the poultry department and as a "Revenue" in the General Produce Department.

The market value of eggs and poultry used in the house should be credited to Poultry Department and entered as an "Expense" in the column for Household Expenses.

Eggs used for hatching are not recorded in this book as the chickens they produce appear later as assets in the "Poultry Inventory." Such items as number of eggs laid, number broken, deaths of birds, dates of setting hens, or of starting incubator, number of chicks hatched, etc., cannot be recorded here, but should be noted elsewhere as matters of special interest and value.

(d) *Horse Department*:—On the ordinary farm, the actual outlay in cash in this Department will be chiefly for such items as veterinary service, horse shoeing and clipping, repairs to harness, new harness, blankets, brushes, etc. The direct cash revenue, on the other hand, will be chiefly for horses sold.

Where it is desired to give *full* credit to this department, it is necessary to include an estimate of the value of the horse labour and manure and to deduct the value of the food consumed. This can be done where a record is kept of the total number of hours the horses have worked. If no definite record has been kept an estimate may be made. A common valuation of horse labour is *nine cents* per hour for each horse. The value of the food consumed by the horses may be estimated, as may also the value of the manure. This more detailed consideration, however, is not necessary where it is desired to know simply the ordinary profit or loss in the department during the year.

(e) *Swine Department*:—The chief expense connected with this department will be for food, utensils and animals bought, while the chief revenue will naturally be from animals sold.

The progressive farmer realizes, however, that if he is to know what he is actually making from the keeping of pigs, he must charge this Department with all the food consumed. This information, as in the case of poultry, can be gained quite easily by providing special feed bins and recording the market value of all feed with which they are periodically replenished. All skim milk used should be charged against this Department, its value being the difference between the selling price of whole milk and the price of the cream separated from the milk. For example, 100 pounds whole milk sells at $1.44, while the cream separated from this amount brings $1.23. The skim milk in this case is therefore worth 21 cents per 100 pounds. A common valuation of this product is .02 cents per gallon or .20 cents per 100 pounds. The profits actually made should indicate more fairly the real value of the skim milk as a food for pigs. Under certain conditions it might be shown that this might be fed to calves with greater profit. Whatever valuation is placed on skim milk the amount used for pigs should be credited as a Revenue in the Dairy Department.

While the above system of going into detail is strongly urged, yet, as already mentioned, it is not actually necessary in keeping a set of books such as this.

(f) *Sheep Department*:—In this Department the main expenses will be for animals bought and in some cases for special labor employed, say at clipping time, while the chief revenue will naturally be for animals and wool sold. Where it is desired to ascertain the *actual* profits realized from the keeping of

sheep it will be necessary to charge this Department with the value of all food consumed and the total cost of the labor expended.

(*g*) *Garden and Orchard Department:*—On the average farm, little account is taken either of the Expense or Revenue in this Department, yet both may frequently be considerable. The chief expenses will be for nursery stock, tools for special use in the department, seed, spraying material, etc. The main revenue will naturally be from fruit and vegetables sold. Where this Department is at all extensive or diversified, the farmer may wish to keep a separate account of certain crops. He may for instance produce on a considerable scale any one or more of such crops as apples, cherries, plums, grapes, tobacco, strawberries, raspberries, etc., and may wish to know which is paying him best. In such cases each crop may be considered as a separate department and dealt with accordingly. (See paragraph 1 above.)

(*h*) *General Produce Department:*—In this Department are recorded all expenses and direct revenue connected with the production of all crops on the farm other than gardening and orchard. Under "Expenses" will be included the cost of seed, fertilizers, chemicals for treating seed, binder twine, extra man or horse hire as in haying and harvesting, etc. Under " Revenue " is entered the selling price of all grain, hay, etc., actually sold to others or transferred to another department such as the Poultry Department. Should any special field crop such as sugar beets, or seed, be produced for the market, the revenue of such crop or crops may be kept separately. (See paragraph 1.)

The matter of keeping records of the actual cost of producing different crops is one which is subsidiary to a set of books such as this, which considers straight matters of finance. Such records should, if kept, be entered in a special book provided for the purpose and should show the total value of the time spent by men and teams in the fields. The valuation of this time must necessarily vary according to conditions. A common valuation is 17½ cents per hour per man and ·09 cents per horse.

With these figures before one, it is a comparatively easy matter to charge up this Department with the *labor* involved in the actual productions of crops instead of placing the total amount paid out for labor in the column labelled "General Labor." This course, however, as already explained, is not an essential part of this system of keeping farm accounts.

(*i*) *General Labor:*—In this column is entered the amount of wages paid persons whose labor has not been charged especially against certain departments or against Capital Account. The cost of help specially engaged in under-draining for example, would be charged against "Capital Account" as it provides a permanent " increase " in the value of the property. Where it is desired to apportion a part of the total general labor to different Departments at the end of the year, this may be done without serious difficulty and to good advantage as already pointed out.

(*j*) *Household and Personal Expenses:*—All farm produce consumed in the house or houses on the farm should be accounted for, otherwise the profits returned by the farm cannot be fairly and accurately calculated. All vegetables, fruit, eggs, milk, etc., used by the farm proper should be valued at what they would certainly bring on market and the amount of each item or the monthly totals entered in the "Household and Personal Expenses" column. The value of each of these items should also be entered as a "Revenue" in the Depart-

ment from which they were taken. The cost of all groceries, clothes, travelling expenses, repairs to house, or house equipment, should also be included in the above column.

(*k*) *Repairs to Machinery, Vehicles and Tools:*—The cost of keeping machinery and tools in repair is considerable, hence a special column is provided. Machines and tools *bought or sold* are listed in Capital Account as below indicated.

(*l*) *Miscellaneous Expenses:*—All expenses not allotable to columns or departments already provided are entered in "Miscellaneous Expenses" column. The kind of expenses (rent, insurance, taxes, interest, discount, exchange on bills and cheques, etc.) should be noted in the column labelled "Name of Account."

(*m*) *Miscellaneous Revenues:*—In this column is entered such Revenue as does not belong properly to the departments already specified, for example, rental of machines to neighbors, services rendered others, sale of odds and ends around the farm, etc. The kind of revenue in each case should be noted in the column "Name of Account."

(*n*) *Capital Account:*—In the columns under this heading are entered the purchase or sale of land, buildings, machinery, and such other items as increase or decrease the value of the holding in a permanent manner, for example, underdraining, fencing, etc. The value of live stock, bought or sold, is not entered here but rather in the departments to which they belong. Their value is looked after sufficiently at the end of the year in the "Inventory." In order to facilitate the taking of Inventories, the words "Land," "Buildings," "Machinery," etc. as the case might be, should be written in the column labelled "Name of Account."

APPENDIX No. 3

Cash			Date	Transaction	Ledg Page	Accounts with Others		Dairy Department		Poultry Department		Horse Department	
Received	Paid Out	Balance				Charge	Credit	Expenses	Revenue	Expenses	Revenue	Expenses	Revenue
a	*b*					*a*	*b*	*a*	*b*	*a*	*b*	*a*	*b*
				Brought forward									
				Carried forward									

3—102½

[Mr. L. H. Newman.]

Swine Department		Sheep Department		Garden and Orchard Department		General Produce Department		General Labor	Household and Personal Expenses		Repairs to Machinery	Miscellaneous Expenses	Miscellaneous Revenue	Capital Accounts Land and Buildings, Machinery, Tools, etc.		Name of Account
Expenses	Revenue	Expenses	Revenue	Expenses	Revenue	Expenses	Revenue							Purchases or Improvements	Sales	
a	*b*	*a*	*b*	*a*	*b*	*a*	*b*	*a*	*a*		*a*		*b*	*a*	*b*	

Note.—To prove accuracy the total of all columns marked "*a*" should equal the total of all columns marked "*b*"

APPENDIX No. 3

This constitutes one page. On the right side is shown the receipts in one column. The payments in another. Over here we have an analysis. In order to make the terms simple we have, receipts and expenses by departments. The Dairy Department; the Poultry Department; the horses; sheep; swine; garden and orchard; general produce; general labour. All my labour goes into one column. Household and personal in one column. Miscellaneous expenses, such as gasoline, coal oil, taxes and so on, in an another column; the capital accounts are looked after here in a very simple fashion. It is a very simple matter for a man to only keep that one book, and add up these pages as he goes along and he will at least have an idea of how he is drifting.

The CHAIRMAN: Gentlemen, would it not be wise to have these pages introduced in our reports? These minutes are being pretty widely read. It will be noted then that we will include here as Exhibits, sample pages from the "Cashbook-journal" "Year Book" and "Ledger," kept by Mr. L. H. Newman.

The WITNESS: It is published by Mr. Bates. I might say that in working up this system I consulted a good many people like Mr. Reynolds, Professor Barton, and others; they took a good deal of time at it and this is really the crystallization of our ideas.

By Mr. Sales:

Q. Did you consult Mr. Leitch?—A. Yes, Mr. Leitch has adopted this on the farm at Guelph, as a system, at the Macdonald College, and at Kemptville.

At the end of the year a reference to this book will show you the total amount of money you have taken in, the total amount you have paid out, the total amount of the bills you are owing, the total amount of the bills owing to you, and your total expense and revenue in each department, at a glance. There is no posting of individual items as in the old-fashioned system of book-keeping. All you post at the end of the year is your grand total by departments. You carry this book along until you get to the end of the year. At the end of the year is when the difficulty comes with any system of book-keeping, to find out where you stand. The farmer for the most part has very little knowledge of book-keeping and this is intended to provide him with a means of finding out where he stands financially. To accomplish that is a task which has worried a good many people.

The next book I use is this little "year-book," and it has I think more nearly solved that difficulty than anything I have yet seen.

EXHIBIT No. 202

YEAR BOOK

(Read the following carefully)

In this Book are assembled at the end of the business year, whenever that may be, the various items and information (including Inventories) which together indicate the profit or loss of each Department and of the whole year's business. The Book is designed to accommodate one year's business only. It should be filed away as a permanent and complete record of the year's operations so that one year may be compared with another.

In order that no essential items be omitted, the book is ruled and printed so as to constitute a series of blanks. This makes the system extremely easy of operation and yet absolutely effective and reliable. All that is necessary is

simply to start at the beginning and fill in the pages as they come, complete instructions being given on each page. If this be done carefully a first-class statement will result (see page 28), indicating exactly the profit and loss in each Department and on the whole year's business. An equally valuable statement of assets and liabilities will also be obtained by filling in the blanks on page 32.

The Inventory

Every farmer should take an "Inventory" at the end of his business year, just as is done in any other business. The Inventory consists of a complete list of the assets of the farmer. It provides two indispensable pieces of information; first the total amount invested, and secondly, by comparison with the preceding year's Inventory, it indicates the increase in the net worth during the year.

As the Inventory should be taken at the end of the business year it is well to have the year terminate, say, at the end of February, when more time is usually available and when one is planning for the coming season's work. At this time of year the food supply is usually low and its value is therefore more easily estimated.

In recording the value of most articles the safest plan is to take the price at which each might certainly be sold at the time. Things which sooner or later wear out through use, such as buildings, machinery and vehicles, may be appraised by deducting from their original cost a certain percentage. Thus if the grain binder costs $30.00 and lasts on the average twelve years, one would deduct one-twelfth each year. No hard and fast rule can be adopted to cover all cases. The best plan is for each farmer to figure out about how long each perishable thing will last and on this basis make his valuations each year. Ordinarily about ten per cent depreciation is allowed on most machinery.

In the case of Land this should first be valued at a reasonable selling price and the same valuation should be carried from year to year, plus the cost of any purchases of additional land or of any permanent improvements, such as underdraining, fencing or breaking new land.

In taking an Inventory of farm assets all household effects should be kept separate. In fact the house should be run as an entirely separate institution.

Note:—See page 34 for further aids to taking Inventories.

INVENTORY OF DAIRY DEPARTMENT ON 19

On these pages list, with their selling values, all Dairy Live Stock, Equipment and Produce on hand (milk, cream and butter).

Date originally bought							
					Carry the total of these two pages to page 24, line 2 and also to page 32, line 5		
					Totals		

APPENDIX No. 3

INVENTORY OF POULTRY DEPARTMENT ON 19 .

List on these pages all Live Poultry, Dressed Poultry and Eggs, Equipment and Feed on hand. In valuing incubators and brooders, deduct about 10% from last year's valuation on account of depreciation.

Date originally bought							
					Carry the total of these two pages to page 24, line 11 and also to page 32, line 6		
					TOTALS		

INVENTORY OF HORSE DEPARTMENT ON 19 .

List on these pages the present selling value of all Horses and Colts, Horse-Stable Equipment and Supplies, Feed, etc. on hand.

Date originally bought							
					Carry the total of these two pages to page 24, line 20 and also to page 32, line 7		
					TOTALS		

INVENTORY OF SWINE DEPARTMENT ON 19 .

List on these pages the present selling value of all Pigs, Equipment and Supplies, Feed, etc., on hand.

					Carry the total of these two pages to page 25, line 2 and also to page 32, line 8		
					TOTALS		

INVENTORY OF SHEEP DEPARTMENT ON 19 .

List on these pages the present selling value of all Sheep and Lambs, Equipment, Feed, Produce (wool and mutton, etc.) on hand.

					Carry the total of these two pages to page 25, line 11 and also to page 32, line 9		
					TOTALS		

INVENTORY OF GARDEN AND ORCHARD DEPARTMENT ON 19 .

List on these pages the value set on all Fruit Trees, Small Fruit Bushes, Vegetable Plants, Produce and Equipment on hand (The value of a tree or bush depends upon the variety, vigour and productiveness at a given age. A common valuation of apple trees, for example, is as follows:—for trees not yet in bearing from $2 to $5 each depending on age: trees 10 to 12 years old $20 each: older trees according to their productiveness).

					Carry the total of these two pages to page 25, line 20 and also to page 32, line 10		
					TOTALS		

INVENTORY OF GENERAL PRODUCE DEPARTMENT ON 19 .

List on these pages all grain, seed, corn, wood, hay, syrup, and other produce, not included in other departments. (Valuable hints as to how to calculate quantities of grain in bins, hay in mows, etc., will be found on page 34).

					Carry the total of these two pages to page 26, line 2 and also to page 32, line 11		
					TOTALS		

APPENDIX No. 3

INVENTORY OF MACHINERY, VEHICLES AND TOOLS ON 19 .

In valuating these items make fair allowance for depreciation on account of wear and tear. Ordinarily about 10% should be deducted from last year's valuation as depreciation.

Date originally bought							
.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....
					Carry the total of these two pages to page 27, line 6 and also to page 32, line 12		
					TOTALS		

INVENTORY OF LAND AND BUILDINGS ON 19 .

Land should be valued at a reasonable selling price. The cost of any permanent improvements made during the year, such as underdraining or fencing, should be added to last year's valuation. In the case of buildings, consider each one separately, and deduct from last year's valuation at fair percentage as depreciation. Thus if a building valued at $2,000 last year is expected to last 30 years, the value allowed this year should be one-thirtieth less, or $1,933.34.

.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....
					Carry the total of these two pages to page 27, line 15 and also to page 32, line 13		
					TOTALS		

DEPARTMENTAL PROFIT AND LOSS STATEMENTS FOR THE YEAR ENDING 19 .

DAIRY DEPARTMENT

1	INVENTORY at beginning of year.....19				
2	INVENTORY at end of year.....19 (from page 7)				
3	Increase or Decrease in Inventory.....				
4	REVENUE during the year..... (Total of "Revenue" column in Journal)				
5	EXPENSES during the year..... (Total of "Expenses" column in Journal)				
6	Difference between Revenue and Expenses.....				
7	PROFIT in this Department.....				
8	or Loss in this Department.....				
9	(Carry Profit or Loss to page 28, line 1).....				

POULTRY DEPARTMENT

10	INVENTORY at beginning of year....19				
11	INVENTORY at end of year....19 (from page 9)				
12	Increase or Decrease in Inventory				
13	REVENUE during the year.... (Total of "Revenue" column in Journal)				
14	EXPENSES during the year.... (Total of "Expenses" column in Journal)				
15	Difference between Revenue and Expenses				
16	PROFIT in this Department				
17	or Loss " " "				
18	(Carry Profit or Loss to page 28, line 2)				

HORSE DEPARTMENT

rM

19	INVENTORY at beginning of year....19				
20	INVENTORY at end of year....19 (from page 11)				
21	Increase or Decrease in Inventory				
22	REVENUE during the year.... (Total of "Revenue" column in Journal)				
23	EXPENSES during the year.... (Total of "Expenses" column in Journal)				
24	Difference between Revenue and Expenses				
25	PROFIT in this Department				
26	or Loss " "				
27	(Carry Profit or Loss to page 28, line 3)				

SWINE DEPARTMENT

1	INVENTORY at beginning of year....19				
2	INVENTORY at end of year....19 (from page 13)				
3	Increase or Decrease in Inventory				
4	REVENUE during the year.... (Total of "Revenue" column in Journal)				
5	EXPENSES during the year.... (Total of "Expenses" column in Journal)				
6	Difference between Revenue and Expenses				
7	PROFIT in this Department				
8	or Loss " "				
9	(Carry Profit or Loss to page 28, line 4)				

APPENDIX No. 3

SHEEP DEPARTMENT

10	INVENTORY at beginning of year.....19				
11	INVENTORY at end of year.....19 (from page 13)				
12	Increase or Decrease in Inventory.....				
13	REVENUE during the year.....				
	(Total of "Revenue" column in Journal)				
14	EXPENSES during the year.....				
15	Difference between Reserve and Expense.....				
16	PROFIT in this Department.....				
17	or Loss " "				
18	(Carry Profit or Loss to page 28, line 5).....				

GARDEN AND ORCHARD DEPARTMENT

19	INVENTORY at beginning of year.....19				
20	INVENTORY at end of year.....19 (from page 17)				
21	Increase or Decrease in Inventory.....				
22	REVENUE during the year.....				
	(Total of "Revenue" column in Journal)				
23	EXPENSES during the year.....				
	(Total of "Expenses" column in Journal)				
24	Difference between Revenue and Expenses.....				
25	PROFIT in this Department.....				
26	or Loss " "				
27	(Carry Profit or Loss to page 28, line 6).....				

DEPARTMENTAL PROFIT AND LOSS STATEMENTS for the year ending 19 .

GENERAL PRODUCE DEPARTMENT

1	INVENTORY at beginning of year.....19				
2	INVENTORY at end of year.....19 (from page 19)				
3	Increase or Decrease in Inventory.....				
4	REVENUE during the year.....				
	(Total of "Revenue" column in Journal)				
5	EXPENSES during the year.....				
	(Total of "Expenses" column in Journal)				
6	Difference between Revenue and Expenses.....				
7	PROFIT in this Department.....				
8	or Loss " "				
9	(Carry Profit or Loss to page 28, line 7).....				

.....DEPARTMENT

10	INVENTORY at beginning of year.....19				
11	INVENTORY at end of year.....19 (from page)				
12	Increase or Decrease in Inventory.....				
13	REVENUE during the year..... (Total of "Revenue" column in Journal)				
14	EXPENSES during the year..... (Total of "Expenses" column in Journal)				
15	Difference between Revenue and Expenses.....				
16	PROFIT in this Department.....				
17	or Loss "				
18	(Carry Profit or Loss to page 28, line.....				

.....DEPARTMENT

19	INVENTORY at beginning of year.....19				
20	INVENTORY at end of year.....19 (from page)				
21	Increase or Decrease in Inventory.....				
22	REVENUE during the year..... (Total of "Revenue" column in Journal)				
23	EXPENSES during the year..... (Total of "Expenses" column in Journal)				
24	Difference between Revenue and Expenses.....				
25	PROFIT in this Department.....				
26	or Loss "				
27	(Carry Profit or Loss to page 28, line).....				

STATEMENTS OF INCREASE OR DECREASE IN CAPITAL ACCOUNTS for the year ending 19

MACHINERY, VEHICLES AND TOOLS

1	INVENTORY at beginning of year.....19				
2	New machinery, vehicles or tools bought during year..... (From "Capital Account" column in Journal)				
3	Total of these two.....				
4	Machinery, vehicles or tools sold during the year.....				
5	Amount remaining.....				
6	VALUATION as per Inventory at end of year..... (From page 21 in Year Book)				
7	Increased value.....				
8	or Decreased Value.				
9	(Carry amount to page 28, line 8)....				

APPENDIX No. 3

LAND AND BUILDINGS

10	VALUATION at beginning of year.....19				
11	Purchases or Improvements during year..... (From "Capital Account" column in Journal)				
12	Total of these two.....				
13	Sales of land or buildings during year..... (From "Capital Account" column in Journal)				
14	Amount remaining.....				
15	VALUATION as per Inventory at end of year..... (From page 23 of Year Book)				
16	Increased Value.....				
17	or Decreased Value.....				
18	(Carry amount to page 28, line 9).....				

19	.....				
20	.....				
21	.....				
22	.....				
23	.....				
24	.....				
24	.....				
25	.....				
26	.....				
27	.....				

SUMMARIZED STATEMENT OF PROFIT AND LOSS for the year ending 19 .

		Profit		Loss	
1	Dairy Department..... (from page 24)				
2	Poultry Department..... (" " 24)				
3	Horse Department..... (" " 24)				
4	Swine Department..... (" " 25)				
5	Sheep Department..... (" " 25)				
6	Garden and Orchard Department..... (" " 25)				
7	General Produce Department..... (" " 26)				
	Capital Accounts:—				
8	Machinery, Vehicles and Tools..... (" " 27)				
9	Land and Buildings..... " " 27)				
10					
11					
12					
13	Miscellaneous Expenses (From Cash-Book Journal).....				
14					
15	General Labor (From Cash-Book Journal).....				
16	Household Expenses (From Cash-Book Journal).....				
17	Repairs to Machinery, vehicles and tools (From Cash-Book Journal).....				
18					
19	Miscellaneous Revenue (From Cash-Book Journal).....				
20					
21					
22	Total Profits.....				
23	Total Losses.....				
24					
25	NET GAIN for the year.....				
26	or NET LOSS for the year.....				
27					
28					
29	Percentage of Gain on Investment.....%				

APPENDIX No. 3

COMPARISON OF THIS YEAR'S PROFITS AND LOSSES WITH FORMER YEARS

Profit	Loss	19 Increase	Decrease	Profit	19 Loss	Increase	Decrease

ACCOUNTS RECEIVABLE ON 19 .

From your Ledger make a list here of all the *balances* of accounts owing to you by others

Ledger page	Name	Amount	Ledger page	Name	Amount
				Carry total to page 32, line 3	

ACCOUNTS PAYABLE ON 19 .

From your Ledger make a list here of all the *balances* of accounts owing by you to others.

Ledger page	Name	Amount		Ledger page	Name	Amount	
					Carry total to page 33, line 2		

APPENDIX No. 3

STATEMENT OF ASSETS AND LIABILITIES ON 19 .

	ASSETS				
1	.....				
2	Cash on hand.....in bank.....total				
3	Accounts Receivable.....(Total of list, page 30)				
4	Inventories—				
5	Dairy Department.....(from page 7)				
6	Poultry Department.....(" " 9)				
7	Horse Department.....(" " 11)				
8	Swine Department.....(" " 13)				
9	Sheep Department.....(" " 15)				
10	Garden and Orchard Department.....(" " 17)				
11	General Produce Department.....(" " 19)				
12	Machinery, Vehicles and Tools.....(" " 21)				
13	Land and Buildings.....(" " 23)				
14	Total of Inventories.....				
15	.....				
16	.....				
17	Other Assets—Make list below				
18	.....				
19	.....				
20	.....				
21	.....				
22	.....				
23	.....				
24	Total Assets.....				
25	.....				
26	Total Liabilities.....(from page 33)				
27	.....				
28	Net Worth.....				
29	.....				
30	.....				

	LIABILITIES				
1					
2	ACCOUNTS PAYABLE.....(Total of list, page 31)				
3					
4	MORTGAGES PAYABLE				
5					
6	OTHER LIABILITIES				
7					
8					
9					
10					
11					
12					
13	TOTAL LIABILITIES				
14	(To be carried to page 32, line 26)				
15					
16					
17					
18					
19					

COMPARISON WITH OTHER YEARS

	This Year		Former Years			
	19		19		19	19
TOTAL ASSETS						
TOTAL LIABILITIES						
NET WORTH						
INCREASE						
DECREASE						

This book is designed to accommodate the complete year's business in summary. First of all the inventory is taken by departments; not all jumbled together, but by departments. We start out with the Dairy Department. It is a very simple matter to take the inventory by this system, because you can take your last year's inventory and copy into this one the things you still have, and go down your expense column in your dairy and find just what equipment you have and what it has cost you, and transfer that into your year book, without going all over the farm to find out what things you have. Otherwise you are liable to overlook many things but with this system you can sit in the house and make this up.

[Mr. L. H. Newman.]

APPENDIX No. 3

I have my year end on the 28th February for various reasons. It is a good time to take stock, to find out the seed you want, and the amount of feed you have on hand and whether you have enough to carry you through, and so on. There are several reasons why I have my year end then.

By Mr. Elliott:

Q. In this connection, Mr. Newman, I have always found a difficulty in making my system of book-keeping, which is more or less one of my own, correspond with that which is required by the Department in preparing our income tax papers. My year ends on the 31st March, and the income tax year ends on the 31st December?—A. I had the same difficulty, but by this system I have found I can easily get what they want at that date, because I am up to date here in this book, (cashbook-journal) and I make it a point to add up my totals at the end of the Calendar year and then go on to the end of my own year from there. For the income tax people you can close it sufficiently easily.

Q. Would it not make it easier if the Department that has charge of the income taxes would make their year end some time in February or March, which is the correct time?—A. It would certainly make it much better and much easier.

Q. That is the proper time for the year to end in farm accounts?—A. Yes. It would certainly make it much more satisfactory. Now coming back to this little book again, the year book, the inventories are first considered in that year book by departments: dairy, poultry, and so on in the same order as they appear in the cashbook. While this system is designed for the ordinary mixed farming in the east it is so elastic as to be useful anywhere. For instance it is being used in the west to quite an extent. There where people have not dairy cattle they scratch out the word "dairy" and enter possibly "wheat" and where they have not "swine" they might put "barley." It is just a stroke of the pen to correct the heading. A good many are doing that. The inventory is taken first by departments, and you will notice that the amount of your inventory in each department is carried forward two pages and two lines on these pages. The ordinary man might not know what he is doing but if he follows instructions he will take that amount, for instance here Dairy Department, carry the total of this department to page 24 line 2, and page 32 line 5. You people of course will anticipate that that amount is being carried into two statements where the amount will be needed. It is carried into a statement of assets and liabilities, and it is being carried into a detailed account of your Dairy Department, where the Dairy Department is being summed up. Then after that is taken you have your inventory of machinery and tools, land and biuldings, and you come to your departmental statements of profit and loss by departments. First in your Dairy Department, the inventory at the beginning of the year, the inventory at the end of the year; it will be all there having been brought forward from that page; the difference representing either the increase or decrease. Then for the first time you come back to this book and take your total revenue and put it in the proper place on line 4. Total expenses in your Dairy Department, of course, line 5. The difference between the two set over here and added to your increase or decrease as the the case may be in your inventory represents the profit or loss in that department. Then that is carried over to page 28 wherein you will find a summarized statement of profit and loss by departments. That in brief is the scheme of this little year book. It gives you a complete record of your years' business. You can file it away at the end of the year, and you can use it in obtaining loans. On one occasion I wanted to get a small loan at the bank and I took my little year book up and said, "Here is my statement, I want to borrow $500." He

looked over this statement and said, "Where in the world did you get that?" I said, "It just grew up with me." He said, "That is fine, and that explains why we bankers find ourselves in difficulty; we are criticized for not extending credit to farmers, but the difficulty is that the farmer not knowing himself his financial position, is absolutely unable to show us where he stands, and therefore as business men we are not going to extend credit to a man who does not know himself where he is at." We had quite a nice little discussion over that feature.

By the Chairman:

Q. I suppose you got the loan?—A. Yes, without any question. He simply took the book and copied from my statement the assets and liabilities, the things he needed to know, and gave me the loan. I felt quite pleased over that, and I thought there was a good deal in what he had to say.

So we have first, the cashbook and journal; second, the little book at the end of the year which I call the year-book; and third we have a ledger which we use to look after running accounts. At the end of the year, we have to find out the total accounts owing to us and who owes them, and the accounts that are owing, in order to transfer them also to the yearbook.

Q. Is there any particular form there? If there is we will put that in as part of the exhibit?—A. Yes, I can supply you with a page from each of these books if you like.

NAME.....

DATE	ITEMS	Cash Book Page	DEBITS	DATE	ITEMS	Cash Book Page	CREDITS

Q. We will print specimen pages with the first page.—A. Unless you have some questions to ask about this particular system, gentlemen, I will not detain you longer. These three books, the cashbook-journal, the ledger and the year-book, constitute the complete set to look after the financial end of the business exclusively. The cashbook-journal is the only book that is used throughout the year. The other two little books come into play at the end of the year in showing you where you stand in closing your books.

By Hon. Dr. Tolmie:

Q. On a 100-acre farm how many hours do you estimate are required to do your book-keeping?—A. I anticipated that question some time ago when I gave a little lecture at Guelph College in connection with this, and so I kept

a careful account of the actual time it took. It figured out 31 or 32 minutes a week for the whole thing. It takes very little time in entering the items during the week.

By Mr. Sales:

Q. Your foreman does that work himself?—A. No. I have a simple form, in which he records his information. The ordinary accounts I settle with him when I am there during week-ends, or whenever I happen to be there, usually at week-ends, or once or twice a month in the winter. I look at this at my convenience, enter the information up, and in that way I am analyzing the whole situation exactly, and can see how things are going. He does not get away very far from me.

Q. The 31 minutes you are speaking of is your work?—A. That is my work.

Q. His time is beyond that?—A. It does not take more than five or ten minutes a week of his time; perhaps a little bit more than that.

By the Chairman:

Q. I guess you are both pretty rapid calculators?—A. In his case it is simply a matter of recording the items, for instance, a box of feed so much. He has not so very much to do, that is, in the financial end of the thing.

Q. I suppose we could put it this way, that if you kept strict account of the number of times a man lights his pipe, you would get the net profits a little more correctly.—A. I always get a man who does not smoke; he can devote that time to his work. What I have been explaining so far has simply to do with the ordinary accounts of the farm. Perhaps the most important part of the accounting work is really subsidiary to the ordinary system of book-keeping, in that I keep a record of all time spent in the fields. I have a little field book, a home-made affair which anyone can make.

Date	Labour						Miscellaneous Expenses	Seed Used		Work Done and Details of Miscellaneous Expenses	Total Cost
	Hours		Rates		Value						
	Man	Horse	Man	Horse	Man	Horse		Bus.	Value		
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total cost.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

YIELD: Total yield.
Value of crop.

EXPENSE: Total cost of labour.
Miscellaneous expenses and cost of seed.
Total expenses.
Cost per unit (ton or bus.) Net profit per acre.

REMARKS:—.....
.....
.....

[Mr. L. H. Newman.]

On the front page there is a plan of the farm and the acreage. I have a page for each field. Each page consists of columns showing the date, the man's labour, horse labour, rakes and so forth, miscellaneous expenditures, work done, a place to record the yield, the value of that yield, the total cost of labour for that field, miscellaneous expenditures such as cost of seed, or binder twine in the case of grain, fertilizers where you are using them, and finally the total expenditures. Then I have the cost per unit, bushel or ton, and ultimately the net profit per acre. I have kept that data since the beginning, and I have just completed my seventh year. During that time I have the cost of operating every field, I have the total cost of field labour per man and horse.

Q. Per man and individual horse?—A. Per man and individual horse.

Q. We would like to get that printed in our proceedings; that is your own invention, to get at the production costs?—A. Yes. Of course production costs are being obtained by a good many institutions at the present time, but I do not know of any farmer, there may be some, but I do not know of any who has this, or who for that length of time at any rate has carried the thing out in such detail as I have endeavoured to do.

Q. You do not keep that field book yourself?—A. Yes. My foreman keeps a little 15-cent book, about so long and so wide.

Q. About nine inches long?—A. Yes, like a little writing pad. A common blank book can be kept. He can have any size he prefers. Every page has golden rod colour. He simply writes in the date and the time put in, "Sam. 9½ hours in field No. 4, 3 horses discing," "Seeding 6½ hours, seed so many pounds, with two horses." That gives me the dates on which those operations were performed, and at the end of the year when I have it all boiled down, it gives the total time put in in each field. Then I work that back and find out what it costs per horse per hour, which is rather interesting just now in view of the discussion upon tractors, whether it pays to keep tractors on a farm; how much it costs to keep horses. That has been of very great interest and value, especially to anyone who is not able to be on his farm all the time. It is an excellent guide; you can sit down in the evening and study your figures out, figure out your costs, find the different crops that are paying best, find out those that should be dropped, in other words determine to what extent you can readjust your system to make it more profitable.

By Mr. Elliott:

Q. Mr. Newman, have you the cost of producing a bushel of the various kinds of grain on your farm?—A. Yes.

Mr. Elliott: It seems to me, Mr. Chairman, that that would be quite interesting evidence.

The Chairman: Mr. Newman is going to give us that I suppose. He is describing his system now.

Witness: I am describing the system in order to give you an idea how I arrive at these results. I have one of these little books for each year. This book I happen to have here is for the year 1921. This book shows considerable work. It takes more than half an hour a week; it does not take very much work until you come to total the thing up and study it. I have put in quite a lot of evenings upon this book, but I have done so gladly, because it was so interesting. I suppose if it were not so interesting I would not go at it so steadily.

By the Chairman:

Q I suppose you are like Mr. Goschen, a former British Chancellor, who ejaculated once in the British House of Commons that he had a passion for

figures?—A. I have not a passion for figures, Mr. Chairman, as far as figures go. They would set me crazy, as far as ordinary accounting goes. It is the information they reveal that makes them interesting to me. I have tried upon every occasion when I have come into contact with farmers to induce them to keep a record of some sort.

Q. Will you let us have that book? Perhaps I had better not interrupt now. We will look at it afterwards and see what pages we will publish.—A. Each of these pages has the same ruling and headings. Perhaps I need not say anything more about the field work. It is well worth while doing this. Not many farmers I am afraid would keep these books. They take quite a little time.

Q. How long would they take?—A. To go to the whole length, Mr. Chairman, it would take probably about three days if you were working ordinary time to complete the whole thing and work it up.

Q. Three days in the year?—A. Yes. That looks quite a lot to a farmer. Surely it ought to be worth that. To my way of thinking it would be the best three days he could spend in the year.

Q. From that book he would learn what operations were remunerative and what were not?—A. Yes, sir. As a matter of fact this book is my salvation. If it were not for that, in view of present circumstances I would not want to go on. It points the way out, quite clearly.

Q. A light to your path?—A. A light to my path. At the end of the year here is what I get out of this book: I get my total cost of field labour, the total value of the labour that has been put in in that field, and the production of crops. I turn to this Cash Book Journal and I obtain the total cost, what I actually paid out in labour. In my case I pay everything out in labour, that is, I am not there, it is not the case of a farmer having to credit himself with labour, it is all paid out. In this case, in 1922, there was $1,761.82 work of general labour. Of that amount, from my field book $1,237.80 worth was devoted to the production of crops. I deduct that from the total labour and divide it approximately among my other industries, my dairy, my horses, my poultry, my swine. I divide it on this basis: I allow 18/30 for my dairy, 3/30 for my poultry, 5/30 for my horses, 3 30 for my swine, and 1/30 for general labour around the farm. I also keep separate my labour devoted to capital expenditure, in view especially of the form of contract I have with my foreman, where I want to make it of more interest to him, wherever he has an opportunity of diverting the time of the men to keep the buildings and fences up, and so on.

Q. How many people are employed on this farm?—A. I have two men, the foreman and a second man. The foreman boards the second man. I have a regular three-year contract with my foreman, which I think is rather good. It is certainly stimulating him to do his best, he is doing the best he can, because he has an interest in it.

I have not found it practicable to keep a record of the time spent in each department, running from one stable into another. That is out of the question. I have worked up this arbitrary division of labour, after deducting the field labour which I know from the total, I divide the remaining labour in this arbitrary division, which is close enough. What I am trying to get at is, how do my departments stand in relation to each other at the end of the year. I keep out a little bit at the end of the year, but it does not affect my general standing one cent. It may affect a little one department in relation to another. I am trying to get at, as closely as I can, what it costs to carry on a dairy, to keep my horses, what it costs to run the poultry, what the profit is from one department or another. I therefore get at my labour through this field book. I am

also able from this field book and other information to know just what food was consumed by each of the consuming departments throughout the year and what that food has cost, and to this extent charge the value of that food against the department which consumed the food. I draw up this statement, which includes the total food produced, purchased, consumed and on hand during the whole year. That is an interesting statement, not so difficult to work up as it may appear. I first record the food on hand at the beginning of my year, as taken from my inventory and my little year book, and take the ensilage, timothy hay and clover hay and so on, right through. Then from my field book I obtain the amount of each kind of food produced during the year, and put that in the same column. For instance, ensilage produced, I put that under the ensilage. I have on hand. Then the food purchased—I get that from my expense column in my general produce department. That is entered here, and the total of these three represents the food handled during the year. Then, at the end of my year I take my inventory in my little year book and transfer what I have on hand, or record what I have on hand of the different foods here in this column, the 4th or 5th column, deduct that from the total handled, and the balance represents what was consumed. I have the cost of production, the cost of the food I had to buy, so I can fairly easily arrive at the cost of each food consumed. The ensilage that has been consumed has been consumed by the dairy, and I have here the final total, dairy, poultry, horses, and pigs, the total food consumed by the dairy, by the poultry by the horses, and by the pigs.

The CHAIRMAN: We will call that Exhibit No. 205.

STATEMENT INDICATING TOTAL FOOD PRODUCED, PURCHASED, CONSUMED AND ON HAND, FEBRUARY 28, 1923

Food	Hay and Straw																			
	Ensilage		Timothy		Sweet Clover		P. and O. Hay		Alfalfa		B. and O Straw		F. Rye Hay		Red Clover & Timothy		Buckwheat Ste.		Barley	Oyst. shell
	(tons)	(cost)	(tons)	(val.)	(tons)	(val.)	(tons)	(val.)	(tons)	(val.)	(tons)	(val.)	(tons)	(val.)	(tons)	(val.)	(tons)	(val.)		(lbs.)
On Hand, Mar. 1, 1922																				
Produced																				
Purchased																				
Total Handled																				
On Hand, Mar. 1, 1923																				
Consumed — Amount																				
Consumed — Value																				
Sold or Used for Seed																				

Food	Roots		Grain and Concentrates													
			Oats and Barley		Buckwheat		Shorts		Bran		Salt		Oil Cake		Brewer's Gro.		Corn	
			(lbs)	(val.)	(bus.)	(val)	(lbs)	(val)	(lbs.)	(val.)	(lbs.)	(val)	(lbs.)	(val.)	(amt)	(val.)	(amt)	(val.)
On Hand, Mar. 1, 1922																		
Produced																		
Purchased																		
Total Handled																		
On Hand, Mar. 1, 1923																		
Consumed — Amount																		
Consumed — Value																		
Sold or Used for Seed																		

[Mr. L. H. Newman.]

Food	Grain and Concentrates														Molasses		Total
	Oats		Feed Flour		Wheat		Middlings		Chicken Feed		Wheat Corn Meal						
	(lbs.)	(val.)	(amt.)	(val.)	(bus.)	(val.)	(lbs.)	(val.)	(lbs.)	(val.)	(lbs.)	(val.)				(val.)	
On hand Mar. 1, 1922																	
Produced																	
Purchased																	
Total Handled																	
On hand Mar. 1, 1923																	
Consumed {Amt																	
Consumed {Val																	
Sold or Used for Seed																	

APPENDIX No. 3

SUMMARY

Food	Dairy	Poultry	Horses	Pigs	Total
Salt					
Ensilage					
Corn Stover					
Timothy					
Sweet Clover and Alfalfa					
Barley and Oat Straw					
Red Clover and Timothy					
P. and O. Straw					
P. and O. Grain					
Roots: Carrots, Mangel and Turnips					
Gr. Screenings					
Bran					
Corn					
Oil Cake					
Oats					
Oats and Barley					
Brewers' Grs					
Buckwheat					
Shorts					
Pasture					
Culled Potatoes					
Scd. Clover and Wild Hay					
Fall Rye Straw					
Oyster Shell					
Feed Flour					
Feed Wheat					
Middlings					
Wheat Germ Meal					
Molasses					
Seed Barley left over					
Barley Screenings					
Rolled Oats, Meat Meal, Corn Meal					
Gr. Oats, Cracked Corn					

DIVISION OF LABOUR

Among Dep'ts

Filed Labour—

By Men	Proprietor	$
	Other Men	$
By Horses		$
Total in this Dep't		$
Permanent Imp. (Cap. acc't)		$

Division of Remaining Labour Among Other Dep'ts

	Proportion	
For Dairy (approximate)	(18/30)	$
" Poultry (approximate)	(3/30)	$
" Horses (approximate)	(5/30)	$
" Swine (approximate)	(3/30)	$
" Garden and Orchard (approximate)	(1/30)	$
" General labour around farm (approximate)		$
Total Labour		$

The WITNESS: Then, with that data before me, I sell from my general produce department to my consuming departments. That is simply an adjustment here. The total amount of food consumed last year, or sold and consumed, was $3,050.76; of that amount, my dairy consumed $2,236.18, my poultry $381.02, horses, $301.93, and pigs $131.63. Then, I have the labour, which I am also able to charge against my dairy, poultry, and these other departments, so in the last analysis I have in this book—.

[Mr. L. H. Newman.]

By the Chairman:

Q. What is that?—A. In this cash book journal, the main book which I use during the year. At the end of the year I have not only the ordinary running expenses during the year in each department, but I have the food consumed, the value of the food consumed by each department, and the value of the labour expended in the carrying on of each department, so that I am able in that way to more nearly get at what a department is doing, and to what extent it is paying or otherwise. That is intensely interesting and, I think, fundamental information. Without that, I would not be satisfied to have anything much to do with a farm, I would be scared to go ahead, but with that information I feel that while my own figures do not provide very much excuse for gratification, yet they are enlightening, and hopeful, on the whole.

Now I have made some general observations in conclusion, from my work, which I take it are in order to give here, Mr. Chairman. In the first place, I have found that it is absolutely imperative that the farmer drop certain branches of his work, branches which are unprofitable, and develop to the highest degree of efficiency the lines which he finds are profitable or can easily be made profitable. In this connection, I think we must keep in mind the fact that the farmer himself is the biggest factor. Some farmers, as you are doubtless well aware, can make the raising of hogs quite successful; in the hands of other men, pig raising is a losing game. You have to study your man. If you find he is not a pig man, drop pigs as quickly as you can. I am speaking now from the standpoint of the man not there on the job himself.

Q. What proportion of farmers in Canada are not on the job themselves? Not many?—A. No, but even the farmers themselves—.

Q. A farmer should be able to know himself. As the Greek philosopher said, "Know thyself."—A. Yes. You travel through the country to-day, Mr. McMaster, and you will find a great many farmers who are not experts in all lines. I know very many in my own neighbourhood who would be far better off if they would drop certain lines of work, because they are temperamentally not suited to them. Some men, I know, make a great success of pig raising, and others are losing money—they are losing more money than they are gaining in other departments. If they would be honest with themselves, if they would drop the things that they are not making money on—

Q. As a rule, do they know?—A. They do not know.

Q. Then it is not a question of being honest with themselves, but it is knowing what they are doing?—A. Yes, that is perhaps more accurate.

By Mr. Sales:

Q. How will you keep a balanced farm if you drop some of these things? —A. You do not need to drop too many; there are some things you can drop.

Q. For instance there should be hogs and cows and poultry on every farm? —A. Yes.

Q. But you mean a man should not go any further with hogs than just what will consume his refuse, his waste?—A. Yes. Take some general farmers, they will get the notion that fruit growing is a profitable undertaking, because they read where some fruit man has made a success of it, and they put out a lot of apple trees. They do not pay any attention to them. They have not any knowledge of what is involved in orcharding, and they drift along, perhaps spending quite a bit of money buying stock, and they pay no attention to it whatever. It is a case referred to somewhere in the Scriptures, where it says, "The slothful (man) roasteth not that which he has taken in the hunt." He has taken certain things in his desire for prosperity, but has failed to make the greatest use of them, has simply let them drift, and they constitute a loss.

The real standing, of course, which a branch merits, can be determined only by careful accounting. No man should depend on his head, because the limitations of what a man can carry in his head are pretty sharply defined. Further, the farmers should consult, more than they do, the various experts at our experimental stations. It is unfortunate that many of the men in the country who need the information most are not the sort of men that are coming to our experimental stations for that information. We are endeavouring in the division that I have charge of, now, not to wait for the men to come to us, but to go to them. There are certain problems that have to be met that cannot be met here. For instance, not far from Ottawa there is a very sharply defined rust belt in my own district, a rust on oats, which makes oat growing unprofitable. On my own farm I have dropped growing oats entirely. I found last year I had some oats over 60 per cent hull. You cannot do that and get along.

By Mr. Sales:

Q. Has that happened year after year?—A. Four years out of five.

Q. What is the reason?—A. Rust is a fungus disease which seems to be associated with certain plants which we have—the barberry and the thorn, the blackthorn set out in hedges, that carries over that disease from one year to another, and this year we have made some trials with a number of varieties which we think may combat or enable us to escape that rust. We hope to have field days and so on, to show the farmer there is a great difference in varieties.

By Mr. Stansell:

Q. Just in that connection, was not that condition of rust and too high a proportion of hull, prevalent all over Ontario last season?—A. It was to quite an extent, but at the Experimental Farm at Ottawa we were not troubled very much with rust, and there are other places where they have not been troubled very much, but it seems to go in sort of waves or belts. Last year the belt was pretty wide.

Q. It was pretty wide spread over Ontario, oats which were apparently a good yield would weigh 25 or 26 pounds to the bushel?—A. Yes.

By Mr. Hammell:

Q. That was last year's crop?—A. Yes. The records show that about four years out of five we suffered from rust on oats to an extent that makes the growing of oats of the varieties that we have available, or that we have been growing, an unsafe practice, so until we can get a variety that will escape or combat rust we would be well advised to keep away from oat growing.

Q. Is this the same rust that attacks wheat?—A. No, it is a different species.

By Mr. Milne:

Q. Are there any plans being made to destroy the barberry bushes?—A. Certain legislation was passed in Ontario some few years ago, about fifteen or twenty years ago, making it compulsory to cut them down, but they did not get very far. It was a pretty difficult matter to make a man with a nice hedge in front of his house cut it down. My next door neighbour had a fine hedge, but he cut it out himself, because he could see it was doing harm.

Q. Is it a general plant over Ontario?—A. It is fairly widely spread; it grows wild in lots of places.

By hon. Mr. Tolmie:

Q. The barberry bushes are not affected in that way?—A. No.

By Mr. Elliott:

Q. Are some varieties of oats more susceptible to rust than others?—A. Yes, there is quite a big difference.

By Mr. Sales:

Q. Can you name them?—A. The different varieties?

Q. Those that attract rust most?—A. Take some of the common varieties, more commonly grown, like Banner, O.A.C. No. 72, they are fairly susceptible. We have one we are trying at the Experimental Farm this year which we got for the first time, called White Russian, which is supposed to be rather immune.

Q. That is an early oat?—A. Yes, a little earlier. Then, we find that these new hull-less oats that Dr. Saunders produced are relatively free from rust. They are very susceptible to smut, but smut can be treated quite easily, but they seem to be quite resistant to rust, and we are attempting this year to make some crosses, with a view to trying to make some combinations with some of the other higher yielding kinds.

Q. Are the Abundants also susceptible to rust?—A. Fairly so.

By Mr. Hammell:

Q. Do you find that the seeding has something to do with it?—A. Yes, the earlier you get the oats in, the better. An oat like the Alaska is one we find very very good.

No. 3. Conclusion that system of crops commonly practiced in many farms in Eastern Ontario, does not permit of greatest returns and must be re-adjusted. The system that was in vogue a few years ago has rather outlived its usefullness in many places.

By the Chairman:

Q. Will you particularize along that line?—A. Yes. I will say that short rotation with the elimination of timothy hay on dairy farms in that part of the country where I live is to be recommended.

Q. Short rotation with the elimination of timothy?—A. Yes.

Q. That sounds like heresy to me, but I am not exactly a farmer.—A. I would not make that statement as a general statement, especially as to Quebec, but take on my own dairy farm, I have not found the growing of timothy hay profitable. I have found I could grow two or three other crops with greater profit, not only for the value of the crop itself, but when I come to follow the cost of working down an old timothy sod, in time, horse and man labour, it costs too much to work down the old timothy sod. An old timothy sod provides too good a home for couch grass. You cannot get rid of couch grass cheaply. in a long rotation.

Q. That is you get the seeds?—A. The couch grass likes a firm sod.

By Mr. Sales:

Q. Do you get the seed along with the timothy?—A. Yes, but you have the creeping root crops, which are more to be feared. When I found it on my own farm, it was in an awful condition with quack grass. At the present time, after seven years, we do not think about quack grass at all. We found it practically one of the best methods of combating the disease.

Q. What do you do?—A. Herd the crop; corn, roots and potatoes, using potatoes as a cash crop, followed by grain seeded down and clover, followed by corn roots and potatoes again.

Q. Then do you have a permanent pasture?—A. On my farm we have not any pasture—in my district we have got farm land or good land, that you can

till and grow crops on. It is too expensive for pasture. In our district the ordinary pasture is pretty much a delusion. You have a fairly good pasture for about six weeks and after that the pasture is only a little better than a paddock for the animals to pasture on. If you continue to pasture your cattle in that condition your milk yield drops down to a point where you cannot raise it during that period. I rent a cheap land for young cattle and dry cows and feed my cattle in the stable with small pasture; sweet clover as a feed. I alternate sweet clover with wheat; wheat and grain for poultry. This year there will be a piece of wheat seeded and sweet clover beside it.

Q. How many cattle do you feed?—A. There would be an average of fifteen running now.

By Mr. Elliott:

Q. On that three acres?—A. Yes. It does not furnish pasture. We do not depend on it through the summer for a full supply of feed.

Q. Do you find sweet clover fairly satisfactory?—A. It is one of the best things we have in pasture. Then I have been depending on soiling crops to some extent, but I found they are not very satisfactory. They are too expensive. Soiling crops are green feed, such as peas, oats and cut grain used as a feed during the summer, in lieu of the pasture drawn into the stable.

By Hon. Mr. Sinclair:

Q. How many pounds of this do you use?—A. From 15 to 20; generally about 18 is an average. It makes an excellent pasture. It gives more pasture than anything we have got yet, and incidentally it is one of the best soil improvers we have had.

Q. Does the cattle remain in the stable all day long?—A. Yes.

Q. What do you feed them on?—A. Ensilage, as long as it lasts, and some meal, and we depend on the soiling crop, composed of peas and oats.

By Hon. Mr. Tolmie:

Q. Do you find that daily labour is an objection to soiling crops?—A. Yes. It is one of the greatest objections. I have one big silo, about forty feet high, fourteen feet in diameter. I have been figuring in every possible way to escape that expense but I cannot see my way out of it. They say figures do not lie. I am going to try it one more year, but I find that the cost of refilling the silo is too great per ton. It costs too much money per ton for what you get into it, and furthermore where you are helping your neighbours to fill the silos in that district, the corn is going to be frozen, that is what you do not get into the silo, and you cut the value of the feed in two; so I think the single silos in many farms in Ontario are entirely inadequate. I think the slogan should be now to build more silos. At first one was thought to be sufficient, but there were many men with six or eight acres who could not get into the silos. They stooked them. A neighbour of mine burned enough corn to build a good silo this year. It was out so long it lost its value entirely.

By Mr. Sales:

Q. What would you do if you did not have that cheap pasturage of yours?—A. I am doing it. Everyone is not so favourably situated. I have often wondered what I would do. You can grow on ten acres of land as much feed as thirty acres would supply in pasture. I am inclined to think I would pasture them and let them run on a little paddock near the buildings and feed them. I could not afford to turn them out on my land, on a farm of my size.

By Mr. Elliott:

Q. What is the value per acre of your land?—A. That is rather difficult to get at, what the value of it is. It has increased in value very considerably, but I have not changed the original price of it. It was about $50.00 per acre. I should say it is worth about double that now. I would not want to sell it for less.

By Hon. Mr. Tolmie:

Q. What do you say the original figure was?—A. $50.00. That is without buildings.

By Mr. Elliott:

Q. Do you not think that land valued at $50.00 an acre is too expensive to pasture?—A. Yes.

Q. Sweet clover pasture?—A. Yes. I think sweet clover pasture to a certain extent is good business, but for ordinary pasture, turning out on an old timothy sod or something like that, is absolute waste.

Q. On land valued at $50.00 an acre, six per cent, would be $3.00 an acre, which your pasture would cost you?—A. Yes, but the point is you can grow on that same land crops that will bring you in far more than you could get from charging that up in pasture to your dairy. If you can only credit the farm with $3.00 an acre for pasture it will not cover you.

By the Chairman:

Q. Is the whole of your land under cultivation?—A. Yes.

By Hon. Mr. Tolmie:

Q. Do you wish to go on, or have you got far enough for us to ask you some questions?—A. I have two or three conclusions I would like to mention. Another thing that comes up here is that cash crops should be grown to a greater extent to offset the amount of feed the dairy farmer has to buy. The dairy farmer has been buying too much, and I am trying to offset it by cash crop, clover seed, seed grain and that sort of thing. If we can do that, we are justified in buying heavy concentrates. It will improve our soil very much. There is an outstanding fact of great importance in this investigation, that is the yield per acre is very largely the determining factor, that is the yield per acre determined by skilful manipulation rather than a favourable season is one of the determining factors in profits. In my opinion I think that too many farmers are trying to operate too much land.

By the Chairman:

Q. When you say skilful manipulation, what do you mean?—A. I mean by proper rotation, by proper cultivation.

By Mr. Sales:

Q. You had better use the word "operation" instead of "manipulation." —A. Yes. We will say by proper rotation, to be specific, proper cultivation of the soil, by the use of good seed and of stable varieties, and the proper use of manure and other fertilizer and so on, including legumes. Many farmers have too great an overhead. As a dairyman I have proven furthermore that the production per cow is almost as important, if not quite as important, as production per acre. The cost of producing milk in 1922 on my farm was 2·32 per hundred, with an average production per animal of 7,710 pounds, including heifers.

By the Chairman:

Q. New heifers that have just come in?—A. Yes, at the present time the cost of production—this production is too low. I am not criticising the prices, but I am giving what it cost. 2·32 was what it cost me per hundred pounds. The average production of my entire herd including heifers, old cows, and so on, was 7,710 pounds. That is too low.

By Hon. Mr. Tolmie:

Q. What is the highest production in Ontario per single cow?—A. The herd average?

Q. The herd average.—A. I cannot tell you offhand.

Q. About 14,000 pounds?—A. I think perhaps so. The average on the other hand is about 4,000.

Q. A man gave testimony from Quebec the other day, and said it was 3,200. —A. Over 50 per cent of my herd averaged over 10,000 pounds. The other 50 per cent was made up of older cows. The moral is to superannuate those whose usefulness has ceased. Do not depend too much on the young. Give them a free ride to Montreal. An average of 9,220 pounds in my case would have shown a profit.

By Mr. Sales:

Q. Have you got strictly dairy cows on your farm?—A. Yes.

Q. What breed?—A. Holstein. They have averaged fairly well. They are fairly well bred. About 75 per cent are registered.

Q. What is your average test?—A. The average test would be—I have not got it with me here, but about 3·7. I had one which averaged 4·06 for the year. We have them on r.o.p., so that we know what their tests are; I did not bring that with me.

Q. What did you do with this $2.32 milk or under?—A. It is shipped to Ottawa.

Q. What do you ordinarily receive?—A. $1.85 per hundred net.

Q. That is a loss of 48 cents on the production of every hundred pounds of milk?—A. Yes.

By Hon. Mr. Tolmie:

Q. Is that over the year?—A. Yes.

By Mr. Sales:

Q. If this happens to you, you are a book-keeper, a strict accountant, what is happening to the other fellow?—A. I can leave that to yourselves.

By Hon. Mr. Tolmie:

Q. Still your herd brought you a profit?—A. No, it is not paying yet.

Mr. SALES: How could it?

Hon. Mr. TOLMIE: Because he is a breeder of pure-bred cattle?

WITNESS: Not as a milk producing proposition; including calves and sales it about breaks even, the way things are.

By Hon. Mr. Tolmie:

Q. They are very low now?—A. Yes; I am very glad to come even that close to the surface.

Q. How long has that condition of affairs lasted, two years?—A. About that.

By Mr. Elliott:

Q. In any one year during the time you have been keeping these records, has the sale of milk ever shown a profit?—A. No, you could not really say it had.

By the Chairman:

Q. Before we pass that, when you estimated your cost of production at $2.32 per hundred pounds, did you allow anything for interest on your investment?—A. That is straight, the total amount of milk produced, the total cost of producing it, that does not take into account—in my system here I do not take into account interest on investment, because what I am trying to get at is the relative standing of these departments.

Q. Quite so; for instance suppose a man said to himself "I am fond of country life, and I want to start the farm business as a business," he would have to charge something against his capital investment if he wanted to run it on business lines?—A. Yes.

By Mr. Sales:

Q. Do you mean to have nothing in this except labour and feed?—A. Labour and feed, incidental expenses and depreciation.

Q. No rent of buildings?—A. No rent is included, no interest on investment.

Q. The investment in the animals themselves even?—A. No, that is entirely ignored in this figure.

Q. Have you got such figures which will show all those things?—A. That can be easily gotten. I might say I did not come prepared, I did not know until Saturday about eleven o'clock that I would be asked to come here, but I had been intending at the conclusion of ten years, that is in three years more, to work this data all up, if I could find the time, into some kind of getatable shape into a bulletin or something; so that I have not had the opportunity or have not taken the time really to boil everything down as I would like to have it.

Q. We have not got to your ray of hope for the future?—A. I am just now giving you a few general observations and conclusions.

By Hon. Mr. Tolmie:

Q. Breeding along as you are, how much time will elapse before you will reach a 10,000 pound average?—A. I think within another year or two; that is what I am aiming at.

Q. That is not unusual for a pure bred Holstein breeder?—A. No, my mature animals are practically all averaging that.

Mr. Sales: I do not think this opportunity should be taken of boosting one breed against another.

Hon. Mr. Tolmie: No; I have two breeds.

By Mr. Elliott:

Q. How many cows do you say you have?—A. We have young and old now twenty-four head.

Q. Suppose you had cut out everything except those cows that gave the record of 10,000—you have a number of cows that have a record of around 10,000?—A. Yes.

Q. Those cows would have shown you a profit, if you had eliminated the others. Your transaction as far as milk is concerned would have shown you a profit?—A. Probably those particular cows were producing at a profit; but taking my department, I like to consider it as a department.

Q. Still there were quite a number in your herd that were eating up the profits that the others made?—A. Yes. I look at it this way, those young animals coming along will be heard from a little later; so that in taking it over a range of years I will have a much fairer figure to give.

By the Chairman:

Q. That is your herd is coming up in quality all the time, milk producing quality?—A. Yes.

By Mr. Sales:

Q. But it would take twenty years if every farmer was to make up his mind to go in for these ten thousand pound cows,—it would take twenty years to get them, over the province of Ontario?—A. I would not think so.

Mr. SALES: You cannot go out and buy them?

Hon. Mr. TOLMIE: I got one for $210 and it gave 25,540 pounds of milk.

By Mr. Sales:

Q. But there are not sufficient of these cows available for every farmer to get them?—A. No, but in four or five years time you can develop quite a nice little herd. I started with one pure bred and two grades in 1915. I bred the most of those I have at the present time.

Q. You have not been buying?—A. Not many.

By Hon. Mr. Tolmie:

Q. What did your sire cost you?—A. The one I have got now cost me $450.

Q. How old was he when you got him?—A. Five and a half years.

Q. A proven sire?—A. Yes, the seven nearest dams averaging over 20,000 pounds.

By the Chairman:

Q. Conclude your conclusions?—A. Just a word regarding poultry. This is a fairly good side line, but I find in my own case I have been buying too much feed. I am proceeding this year to produce the feed on my own farm that those poultry will eat; labour saving devices, both in the farm home and in the buildings—

Q. What size of flock do you think a man could manage who is not going into it for a business, but simply wants to have a flock for fresh eggs and something to sell too?—A. 100 hens make a nice little flock; I think perhaps that is enough for the average man, if he is losing much per hen that is enough to lose on.

By Mr. Milne:

Q. Is that your experience?—A. No, I have never lost on the poultry. I have come close to it several times. There are possibilities in poultry, but it requires, as in cattle raising, careful, skilful handling.

By Hon. Mr. Tolmie:

Q. Special egg-laying breed?—A. A pretty well bred-to-lay strain of Barred Rocks. Another thing that is very important, I think, judging from my own experience, is suitable housing accommodation for cattle, proper ventilation so as to reduce your veterinary bills as far as possible. Finally I would say I would recommend every farmer to have some sort of an office to learn the first essentials of business principles, that is to become methodical, to weigh costs carefully. If he will do this there are many many ways on the average farm

[Mr. L. H. Newman.]

where a lot of this depression may be offset. You take the experiences of a man who is employing the best methods and examine his figures; in spite of hard times at the present time, in spite of the fact that he may not be making very much he is holding his own anyway. But on the average farm there is no sort of co-operation between brain and brawn, I am afraid. The two should go together. I am always preaching the importance of a farmer having a little room where he can run an office, he can keep his up-to-date literature and keep himself posted on these things, he can keep his letters away from the youngsters, and he can sit down and write a letter to the Experimental Station for a certain bulletin, or something, and have everything in order. It seems to me in the last analysis that exact data is the only safe basis upon which one can evolve safe practices.

By the Chairman:

Q. Have you found it that the children tore up many letters?—A. Not mine.

By Mr. Sales:

Q. I suppose you have not got any?—A. Yes; mine specialize in Prayer Books.

By Hon. Mr. Tolmie:

Q. What are your total sales off your 100 acres gross?—A. Total sales average, well the last couple of years—I have not got the last—about thirty-five hundred.

Q. Would you mind telling us your net profit or loss roughly?—A. I cannot refer you to a profit, I am sorry to say; I have not got here worked out yet the loss.

Q. You made no profit?—A. I made no profit unless I could include the farm and the improvement in the land. I have not done that. I have not increased the original value of the land at all, because I felt that if it was going into the land, if the land was actually being improved in productiveness it would be reflected later; it would come out in a ten-year period, and I have been working for the conclusion of the ten-year period more to get data that I could analyze back and forward, and get something fairly definite out of it.

Q. Figuring on your improvements to your farm and your cattle and other live stock, how much better off are you to-day than in 1915 when you turned over your first acre?—A. That is rather difficult to say; I can say I am fairly well satisfied that I have not sustained any serious loss during that period.

Q. There must have been a substantial gain I should think, in the value of your farm buildings, and live stock—?—A. Yes, enormously. Mr. Archibald who was up there once said he would hardly imagine the difference in the place from the time he had been there, four years before, in the productiveness and in the crops and things in general; it has been immensely interesting taking hold of a farm of that sort and seeing what could be done. If I had taken over a farm in a good state of fertility where I would have gotten maximum yield, it would have been a different story.

Q. Do you grow wheat?—A. No, we grow mixed crops; we have been growing oats, barley, hay, ensilage, roots.

Q. What does your barley cost you a bushel?—A. Barley in 1921, which was a poor year, cost 76.6 cents per bushel; that was about the average.

Q. Did that pay you to feed to hogs at prevailing prices?—A. 1921 it would just barely.

Q. That is a pretty high cost of producing barley?—A. That is about 30 cents above the average.

By Hon. Mr. Sinclair:

Q. How many bushels to the acre?—A. The yield was very very low; that was a very dry year with us. There was not more than about 24 bushels.

By Hon. Mr. Tolmie:

Q. Very low?—A. Very very low; that year was pretty near a failure in grains.

Q. What do your potatoes cost you?—A. I have not got the 1922 crop worked out, because I waited until I could get the actual sales, rather than estimate in the inventory in the year, but I think it will cost about 85 cents a bag.

Q. That is a bag of 90 pounds?—A. Yes, I do not give you that as accurate; that is only estimating, doctor; but I can get that for you if you like.

By the Chairman:

Q. In 1921, what were they?—A. In 1921 they cost $1.31 a bushel of 60 pounds.

Q. What did you get for them in that year?—A. I got enough to sustain a loss on the crop of $93.49 on six acres. That was a dry year, Mr. Chairman, when potatoes were pretty nearly a failure.

By Hon. Mr. Sinclair:

Q. How many bushels to the acre?—A. 49.1 bushels to the acre.

By Hon. Mr. Tolmie:

Q. Do you grow mangels?—A. Yes.

Q. What do they cost?—A. On the average 14 cents a bushel of 50 pounds. That includes the ploughing of the ground, preparing it for seed, the sowing, cost of seed, cost of manure or fertilizer, weeding, hoeing, thinning, pulling, drawing and putting in the barns.

Q. What does corn silage cost you?—A. Put in the silo, on the average of $4.05 a ton.

Q. Is not that a little high?—A. Yes, a little high. I have not my book for 1922 here, but it was considerably under $3, because of the fact that the yield is now increasing.

Q. What is the yield now per acre?—A. An average of between 11 and 12 tons.

By Mr. Sales:

Q. Did you grow any sunflowers?—A. We grew some on land which was not fit to grow corn and had a little grass on it. It had not been properly worked up. We tried sunflowers and it worked out pretty well under those conditions, but we would not grow sunflowers in place of corn.

By Hon. Mr. Tolmie:

Q. Do you put in any other silage?—A. No, corn is the cheapest.

Q. You mix corn and hay?—A. We have had oats to some extent.

Q. What did that cost you?—A. We are not depending very much on that as a regular crop; not enough to give you figures worth while; that is merely a sort of catch crop.

Q. What do you grow in the way of dry roughing?—A. Clover.

Q. What does that cost you?—A. An average of about eight.

Q. What does pork cost you per pound to produce?—A. We have not gone very much into pork. The pigs we have been growing have been breeding stock. We sold the young stock after weaning. We found it difficult to grow satisfactory pigs as we had not sufficient skim milk.

Q. When did you sell them?—A. Just after weaning.

Q. What breed did you keep?—A. Yorkshire.

Q. Do you think they would pay if you had skim milk?—A. Yes, I think they would. They have paid fairly well.

By Mr. Milne:

Q. You spoke of clover. Is that sweet clover hay?—A. No, it was red clover; but we have had sweet clover too. We find it a fairly good safeguard against drought. In years that we had not other clover hay we had sweet clover.

By Mr. Sales:

Q. Do you cut that twice?—A. No, just the once; if you cut it early enough and have fairly decent weather.

Q. Is it good for pasture afterwards?—A. No, not much pasture aftewards.

By Hon. Mr. Tolmie:

Q. Do you think your prospects of making a profit are as good on that 100 acres of land as if you had two or three hundred, would the overhead be lessened.—A. I don't think you could go very much above that area and farm it as I am trying to do, without increasing your overhead quite a lot in the way of machinery and horses. We would have to keep more horses, and horses are rather expensive I find. If you could get land in fairly good condition as regards fertility, one could, I think, safely increase his acreage; but as I pointed out a while ago, there is a tendency among the average farmers to try to farm too much land. If they would farm a smaller area and do it properly and look to the individual acre yield rather than to the gross yield over a larger area, I think they would do better.

By Mr. Sales:

Q. You say you find horses expensive?—A. Yes. My horses cost me this year $301.92 for four horses and a colt. $83.47 for labour; $48.83 for shoeing and general expenses. I generally figure on about a hundred and a quarter per horse per year.

By Hon. Mr. Tolmie:

Q. Do you keep these horses shod on the land?—A. No, these were driving horses we had for going to the station and so on. The shoeing did not amount to much. There was a little veterinary, and that included an amount of extra harness that we had to buy.

Q. Have you made any comparison between that and tractor power?—A. I have not any data myself on the cost of tractors, any more than what has been collected. I do not believe that a tractor on my farm would be profitable.

Q. The farm is too small?—A. Yes.

By Mr. Sales:

Q. How much were your wages?—A. Last year the total labour bill came to $1,671.82. That included the two men, and included also the cost of threshing, the extra labour for that and corn filling time, and some extra help in looking after the roots.

Q. Does that come down to about $1,000 for the foreman?—A. Yes, practically, and a little over $600, pretty well to $700 for the other man.

By the Chairman:

Q. With board?—A. No, I pay my foreman a certain amount for board and keep.

By Mr. Sales:

Q. That, is, the foreman keeps himself?—A. Yes.

Q. And you pay the other man $700 is it?—A. So much a month. It differs a little. We have never had the same man right through for the year. Generally that kind of labour is more or less fluctuating.

Q. Do you find that kind of labour difficult to hire for the year?—A. A little difficult, yes. My foreman, who is very anxious to make things go, got along himself alone last winter for a couple of months. He fired one fellow he had because he found him smoking around the barn. He said, I will get along for a couple of months alone. If one has a foreman of that sort, who takes an interest in the place to that extent, he has some hope.

Q. And I suppose his wife looks after the poultry?—A. Yes.

Q. And helps to milk?—A. I have an arrangement whereby the wife gets anything over six per cent of the investment in the poultry. It is divided equally between myself and the foreman's wife, in order to put the poultry as nearly as possible on the same basis as the ordinary farmer.

Q. Do you treat the foreman on that principle?—A. He is on the same plan.

Q. He gets a certain per cent of the profits?—A. Yes.

Q. He has not got very much yet?—A. No, he has not, but he is working that way. He is like other farmers, perhaps a little discouraged at times, but when I go over our figures together with him, he is a little more hopeful and sees where he can stop a leak here and boost up a profit there and so on, and he is doing his best.

Q. What would have been the condition in making the losses that you have been making year after year; if the farmer had been on his own and had had to go to the bank to get money and pay interest on it—what position would he have found himself in by now?—A. He would be a little behind with the bank.

Q. Would he be able to go on at all with the bank?—A. Oh, I think so. I would not attempt to go on myself if I could not see my way out. As a matter of business, I would not like to be associated with a losing game. I have confidence in the future.

Q. His position would be more difficult?—A. Yes, it would be considerably more difficult.

By Mr. Elliott:

Q. If you had $10,000 to invest, in view of your experience in agriculture, would you invest it in a farm and start farming with the sole purpose of making that $10,000 earn you a revenue?—A. No, I would not; not at present. When I started in, it was vastly different, in 1914. Building material was at its lowest for a good while. Labour was low. I think $1.75 was the most I paid for ordinary labour, and they boarded themselves.

By Mr. Sales:

Q. Don't you find your men grumble at the cost of things they have to buy, clothing, boots and so on?—A. Oh, yes, he does indeed.

By Mr. Milne:

Q. How do you account for the fact that land is going up in price or in value when so many things show a loss in the last few years?—A. It has been going up in this way: I have been keeping it heavily stocked, and I have been buying a good deal of concentrates and feed, a good deal of which goes back into the farm in manure, and I have been buying fertilizers, for cash

crops, and I have been growing legumes and returning nitrogen to the soil in that way.

By Mr. Elliott:

Q. What is the increase in yield at the present time as compared with the time you bought the farm?—A. Nearly fifty per cent, I would say.

By Mr. Milne:

Q. Don't you think the price of the land was too high at the start?—A. It might have been, but I had to pay that—well, not at that time.

Q. I don't see how you can consider that the value of the land?—A. Well, that is what I had to pay. I would not say that was a fair value one way or the other. That is what it cost.

Q. You mean then that it is worth more than when you purchased it?—A. Yes.

Q. How is the price of land determined if you do not take into consideration what it will produce?

By the Chairman:

Q. I should think, Mr. Newman,—I may be wrong, and you will correct me if I am—as a rule land sells for a great deal more than its mere reproductive value. That is to say in the market it fetches higher prices than its capitalized value at six per cent?—A. I should say that is quite common.

Q. Let me ask you this, just to sum up your seven years' experience. You remember Horace Greeley's definition of an agriculturist and a farmer?—A. Yes.

Q. During the past seven years have you proved yourself an agriculturist, or a farmer?—A. The thing that pays most is myself. I have been paying most.

Q. That is to say, you have given money to the farm rather than the farm giving money to you, in the last seven years?—A. Yes. I am not complaining about that, Mr. Chairman.

Q. You believe that any money you have given to the farm in the last seven years is safe there, and that it will come back to you in the future, in the increased value of the property?—A. I am hoping so.

By Mr. Sales:

Q. Do you grow registered seed?—A. Yes.

Q. Are you selling it at considerably more than a commission?—A. Yes. My farm has not been in a condition to grow any great quantity.

Q. Every farmer cannot take a line of that kind and do it?—A. No, sir.

Q. But he can grow registered seed or registered cattle?—A. Yes, he can.

Q. If every farmer was growing his own registered seed, he would not have to come to you?—A. No. I have been Secretary of the Seed Growers' Association every year for twenty years, and I know how much money they have been making. I know that only 20 per cent of the men who have been trying to grow registered seed ever see market grade, there are so many things that enter into it to bring it to the lower grade. That is something I am trying always to aim at. If I fall down on the grade, I am no worse off than I otherwise would be, and if I succeed I will make a profit.

By Mr. Elliott:

Q. Have you any figures to place before the Committee with regard to the yield from good seed and poor seed, the difference?—A. Well, I haven't any figures from my own farm, but I have collected a lot of figures in my official work.

APPENDIX No. 3

By Hon. Mr. Sinclair:

Q. Getting back to the question of the silo, you described to the Committee where it was necessary to increase your silage capacity?—A. Yes.

Q. Do you think it is possible, with the conditions that have been described, to supplement by the construction of trench silos for the first part of the season, or any part of the season?—A. Yes, in some parts. On the prairies of course the trench silo is becoming very popular. They have rather different conditions there. They can dig straight down without a supporting bank, and they can get a very dry condition in their soil. The soil is physically dry, and they can dig down without encountering any stones, for the most part. Theirs is a quite inexpensive silo.

By Mr. Sales:

Q. Can you not do that here?—A. Yes, we can, but there are not many places where we would not have to put in walls to save them.

Q. I have one 48 feet long.—A. Where is that?

Q. In the West.—A. That is very satisfactory. Out there it does not freeze so much.

Q. It does not freeze at all.—A. I have been thinking of that very thing, Mr. Sinclair, whether it would pay to take a chance.

Hon. Mr. SINCLAIR: You are in a well-drained location, Mr. Sales?

Mr. SALES: Yes, we just go into the bank with a couple of teams and have the whole thing done in no time.

WITNESS: What do you put in, sunflowers?

Mr. SALES: Yes, we put in sunflowers. We do not have much trouble. We strike sand in the bottom. When we put oat sheaves on the top and then barley and seal the top right up, there is very little mould. This is my first experience, but I am going to continue.

WITNESS: It seems to be very satisfactory. I was out there in January.

By Hon. Mr. Sinclair:

Q. There is a difference in the clay. Do you think it will suit your condition, or is it the climate?—A. I think it is the soil. We can reinforce our walls, as we do our root cellars. In the West what has made it so cheap is that they do not have to put anything in to reinforce it.

Mr. SALES: The walls stand right up. The heat of the silage does more there to keep a lot of the frost out.

The CHAIRMAN: We are very much obliged to you, Mr. Newman, for your attendance here, and for the information you have given to us. These books are most interesting, and I am sure they will be of great advantage to us. We would like that field book put in as an exhibit. To my mind that is one of the most vital things.

By Mr. Hammell:

Q. What is the price of a set of books?—A. These books sell at the original price of $5 for the complete set. That Cash Book Journal will last, depending upon the size of the farm, about four of five years.

By Mr. Sales:

Q. The Year Book has to be renewed every year?—A. Yes. That is $1.00. If you had one of them, you could get around having to buy one every year by making up some blanks.

Q. I think it would be a good idea to provide for blanks; they are available? —A. I think so.

Witness retired.

The CHAIRMAN: Get some blanks and we will put them in. We do not want to sit this afternoon, because we would like to hear Sir Henry Drayton continue his address on the Budget. We will therefore sit a few minutes after one o'clock.

JAMES BRADFORD FAIRBAIRN, called and sworn:

By the Chairman:

Q. Your full name, Mr. Fairbairn?—A. James Bradford Fairbairn.

Q. You are, I believe, a representative of an Association of fruit growers? —A. Yes.

Q. What is the names of that Association?—A. The Niagara Peninsula Fruit Growers' Association.

Q. Have you some facts and figures to place before us in regard to our investigation into agricultural conditions in this country?—A. Yes, sir, I have some.

Q. Possibly you have a statement to make.—A. I could make a general statement, Mr. Chairman.

Q. That is possibly best, then we will question you if you desire it.—A. You will appreciate the fact, Mr. Chairman, that I have come to you on rather short notice, consequently I have not any prepared address. I take it that you want to know the general condition of the fruit growers in our district during the past two or three years.

Q. Your general condition, and what you think you can do to help matters, if the condition is not satisfactory.—A. The condition at the present time is most discouraging. The past three years have been most depressing years. At the present time there are practically no people coming into the district to take up land, to buy land, or to rent, largely due to the fact that the past three years have been so depressing. I think perhaps relief along this line might be had from various sources. Before I go into that, I will give you, just to impress upon you the depressed condition of the growers generally, a few figures I have taken from my own records, which are by no means as complete or as accurate as those of Mr. Newman.

By Mr. Sales:

Q. Just at this point, you say no people are coming in; do you mean that you have land that is vacant?—A. I mean there are plenty of places being offered for sale at the present time. Our growers are becoming discouraged over the the results, and are ready to get out if they can, plenty of them. Other are reducing their holdings; those that have 100 acres are trying to sell 25 acres or 50 acres, but they do not find many or any ready to come in and buy.

Q. Are any of your farms being abandoned?—A. No, there are none being abandoned. Briefly let me give you a few figures, which will I think indicate pretty conclusively the condition. Take peaches, for instance; in eleven quart baskets flat, and in eleven quart baskets, lenos,—in flat baskets the peaches are layered and packed, that is, with a flat top. The others are the lenos, where they are heaped up, and then the regular bushel hamper.

Just here I might say that my figures perhaps are not an average, because until 1921 I was my own salesman. At that time we organized a co-operative organization known as the Niagara Peninsula Growers Limited. I have been a member of that Company for the past two years. I think my sales will show

a marked difference as against the man who, prior to the organization of that Company, was dependent upon a local buyer taking his fruit from him. You will understand that in our district, prior to the organization of our Company, there were over twenty local buyers, about twenty-five I believe, men who were not fruit growers but who were not fruit growers but who were fruit dealers, who appeared upon the platform every day and bought the fruit from the growers as they brought their fruit to the platform.

Q. Have you eliminated those 25 men?—A. We have eliminated quite a number of them.

Q. What have they gone to do?—A. In the case of about eight or nine of them, we have employed them in our Company. We took about eight or nine out of the twenty odd as employees in our co-operative organization. I could not just give you the figures without thinking it over, but I would say possibly ten of them were taken in as employees of the Company. One or two of the others I have in mind quit the business and went into fruit growing themselves.

Q. I was wondering whether you had put them into some productive capacity.—A. Others have continued in a smaller way, handling a less quantity. We have reduced the number, although this year some of them are going back. I mean by that that in our reorganization, which was necessary, we decided not to re-engage these men.

By Mr. Stansell:

Q. At the time you eliminated the number of middlemen, did you increase your profits?—A. No, sir, we did not.

By Mr. Sales:

Q. Did you increase the cost to the consumer?—A. No, sir.

Q. Did you lower it?—A. Not very materially.

By Hon. Mr. Sinclair:

Q. Did you lower the cost of distribution?—A. No, we could not lower the cost of distribution. The costs to the consumer—I will give you these figures, and they will speak for themselves.

By the Chairman:

Q. When you say you did not lower the costs of distribution, what do you consider the costs of distribution are?—A. The cost of distirbution, in the first place, our company's operating costs; in the second place, the express or freight, in the third place wholesaler, fourth place the retailer. Those would be the costs of distribution.

By the Chairman:

Q. You did not reduce those at all by forming your co-operative association? —A. No, sir, we have not reduced them. The cost of our organization, our selling company, was approximately 10 per cent; the express, approximately 19 per cent; the wholesaler 10 per cent, and the retailer 25 per cent or more. I think in most cases it is nearer to 100 per cent.

By Mr. Sales:

Q. How many farmers have you in your company?—A. We started out with about 800. This year we have reorganized, and we have between 500 and 600; I think it is 565.

Q. How much stuff do you handle in a year?—A. About two-and-a-half million dollars' worth of business last year.

By Hon. Mr. Sinclair:

Q. Why did you reduce the number of farmers in your organization?—A. The farmers themselves chose to withdraw from the shipping this year. They are still members of the company, in that they are stockholders, but as shipping members it is their privilege to withdraw prior to the first day of April.

Q. And sell their fruit otherwise?—A. Yes, sell it themselves or in any way they chose.

By Mr. Sales:

Q. It looks as though the expenses of your organization were pretty high, 10 per cent on two-and-a-half million dollars.—A. The expenses were exceedingly heavy last year. The company, as a matter of fact, deducted 20 per cent from the growers' sales, none of which was returned to the growers.

Q. That makes it more.—A. Through losses and otherwise, I presume—I am not, of course, an official of the company. I do not want you to misinterpret that. While I am president of the Niagara Peninsula Fruit Growers' Association, I am not president of the Niagara Growers Limited. The Niagara Growers Limited is the outcome of our educational association.

Q. Let me understand. The Niagara Fruit Growers' Association is the educational body?—A. Yes. We have been in existence for 27 years, as a matter of fact. I am president of that, and it is purely an educational concern.

Q. The commercial concern?—A. Is the Niagara Growers Limited, which was organized two years ago.

By Hon. Mr. Sinclair:

Q. Are you an official of that company?—A. I am not, no. I was one of the provisional directors of it, but since that time I have been nothing but a member.

Q. You are a member on account of being a stockholder.—A. Yes, sir.

Q. Are you a shipping member as well?—A. A shipping member as well.

By Mr. Sales:

Q. And to what do you attribute the dropping out of this one-third of your membership?—A. Largely to the fact that the cost of operating the company was 20 per cent last year.

Q. Could that have been avoided, do you think?—A. Unless it can be avoided in the future there is no hope for co-operation.

Q. That is hardly an answer. Do you think it could have been less than 20 per cent last year?—A. I think it could. I think the losses sustained through sales last year are responsible for the heavy cost.

Q. Selling on consignment, largely?—A. Selling on consignment largely.

Q. High salaries?—A. High salaries.

Q. What were you paying your manager?—A. Our manager, last year—I think $6,000, but our sales manager, last year, received $11,000 or $11,500.

Q. That is, you pay one man who is under your general manager a higher salary than your general manager?—A. Yes.

The CHAIRMAN: What was the turnover of the Saskatchewan United Grain Growers?

Mr. SALES: The Saskatchewan Co-operative Elevator Company?

The CHAIRMAN: Yes.

Mr. SALES: I do not know that I can give it to you in dollars, but in bushels of grain it would be over 30 million bushels.

The CHAIRMAN: That would be something like 80 per cent of 30 million in dollars. I am trying to get some comparison.

Mr. SALES: Yes, it would be about $25,000,000.

Hon. Mr. SINCLAIR: It is hardly a fair comparison, you know.

The CHAIRMAN: What was your general manager paid?

Mr. SALES: More than that, but we are very fortunate to keep him at that salary, he could go and get considerably more. The grain trade is a very highly specialized business, and high salaries are the rule for these positions.

The CHAIRMAN: I was just wondering, comparing one co-operative society with another, whether these were very high salaries.

The WITNESS: I might say, sir, that it is hardly fair to call that a straight salary in a case of this kind. When we engaged this man and his brother, they were in a business concern doing a business of from $500,000 to $750,000 a year, and our people felt, throughout the entire district, that these two men were the men they wanted for their sales managers regardless of what we had to pay for them, and along with Col. Roberts, who was president of the National Council of Horticulture, we were empowered to engage these men providing we did not go beyond the salary of $25,000, and while we engaged the two of them on a basis of $22,000, $23,000, or $23,000 and $24,000 and $25,000, one, two, and three years, we took over their business and their business connections and their equipment, their office equipment, and all the rest of it. In other words, we took over a connection throughout the Maritime Provinces particularly, and some portion of the West, that a new concern would have taken some years to develop.

By Mr. Sales:

Q. Did you take their warehouses at the country points as well?—A. They had but one. So these salaries may seem, purely as salaries, high, but when you consider the fact that we bought a connection and goodwill which meant a great deal in the perishable fruit business, perhaps more so than in a staple business where you can store your articles—

Q. How long do these men give their time for?—A. Twelve months.

Q. Is there work during the twelve months?—A. Yes, sir. Now, let us go back for a moment to a comparison of these prices.

By the Chairman:

Q. Before you go on with that, Mr. Fairbairn. What are the fruits you handle in this co-operative association?—A. We handle all perishable fruits, peaches, strawberries, raspberries, currants, as well as apples, grapes, pears, plums, cherries, and so on. I am not going to weary you with all these figures at this late hour, but take 1918, as compared with 1922. An 11-quart basket, flat layer, the one you buy usually with a flat cover, the average price was $1.05 in 1918. In 1922, my average price was 29 cents, as against $1.05 in 1918. In bushels, bushel hampers, I can talk to the farmers better in bushels, and I used to sell in bushels prior to joining the company, almost entirely. In 1918, my price was $3.73 per bushel.

By Hon. Mr. Sinclair:

Q. For what kind of fruit?—A. No. 1 peaches. These are only No. 1 prices. In 1922, it was 45 cents a bushel, out of which I hay to pay for the package, the labour, and all the rest. That is just the net return.

By the Chairman:

The gross return?—A. I should say the gross return from my company, 45 cents, as against $3.73 in 1918. I will give you apples. We ship a lot of apples in 11-quart baskets. In 1918, the price was 45 cents. In 1922 the price was 20 cents.

By the Chairman:

Q. In 1918 what?—A. In 1918, 45 cents; in 1922, 20 cents.

By Mr. Sales:

Q. What about a bushel of apples?—A. My summer apples last year—in speaking of summer apples you know what I mean, the Duchess, the Wealthy and Gravensteins and so on—

By the Chairman:

Q. Do you grow any Laurent raspberries?—A. No, we do not grow that variety, although there may be an odd bush. The price per bushel is 64 cents.

By Mr. Sales:

Q. Is that the hamper?—A. Yes, not the wrapped boxes, but the hamper with a flat wooden top.

Q. What were those you shipped West last fall?

By Hon. Mr. Sinclair:

Q. Is that the 1918 price?—A. No, in 1922 it was 64 cents.

By Mr. Sales:

Q. Did you send any of those West last year with a beaver board top on them?—A. No, I think not; I do not know that the company did.

Q. There were some came West.—A. I do not think the company sent any.

By Hon. Mr. Sinclair:

Q. What was your 1918 price?—A. I have not the 1918 price in bushels for summer apples; I have a 1920 price which was $1.25, and in 1921 $1.15.

By Mr. Sales:

Q. Would you pack any of these winter varieties in the bushel baskets?—A. No, my winter varieties were wrapped and packed in boxes.

Q. What would you get for those in boxes?—Last year, for Spies, Snows and McIntosh, $1.30.

Q. How much for the Baldwin?—A. I have not those figures before me, it will just be from memory, but I should think about $1.05; Greenings, 75 cents.

Q. Is there that much difference?—A. Yes, sir, I think there was. I would not be sure on that, because I did not bring those figures with me.

Q. What would it cost you to ship a box of apples, say, to Regina?—A. That would be a guess; I could not give you the cost of shipping a box to the West.

Q. I do not see how the British Columbia men are going to compete with this price.—A. I hope they will never have to.

By Hon. Mr. Sinclair:

Q. That was an exceptionally low price?—A. These prices were terrible.

Q. You did not have any previous experience with such low prices?—A. I have not had.

Q. The crop was very heavy that year?—A. The crop was very heavy, it was heavier last year than the combined crops of 1920 and 1921, and yet in 1920 we thought we had a heavy crop.

APPENDIX No. 3

By Mr. Sales:

Q. Tell us how it is that British Columbia apples are selling right here in this building now, and in the stores, at 5 cents each, while your prices were so low that you could only get 75 cents. Your winter apples would still be good on this market?—A. Yes, they should be.

Q. Why are they not on this market?—A. That is a question I have tried to solve myself for some time. I presume it is largely a question of central packing houses and a better grade, better standard than we have had in the past. We have not had the uniformity of packing, the uniformity of grade in our Ontario apple business that the central packing houses of British Columbia have established. Then again we lack the colour in our fruit that B. C. has attained. Now, it is the uniformity of pack, the standard of grade, and the colour that has sold B. C. apples in the past.

By the Chairman:

Q. Their flavour is not better than the Ontario apples?—A. No.

By Mr. Sales:

Q. Your crop has all gone, I suppose?—A. Yes, our crop has all gone. We sent quite a number of cars to Winnipeg during March, and the company sent, I believe, quite a number of cars to the Old Country in the fall, which were disastrous, of course. The returns showed a minus every time. Quite a number of cars of peaches were shipped to Chicago and New York, because those markets at the time gave evidence of conditions better than our own, at any rate, but when the returns came back they showed a minus, too, and that accounts for our exceedingly low prices. Cherries—

By Mr. Sales:

Q. Just before you get away from apples, it seems strange that B. C. apples are down here in Eastern Canada, even right down in the Niagara belt, and those folks are shipping their stuff west to Winnipeg, both crossing each other. That is a strange thing.

The CHAIRMAN: It is now a quarter past one. Shall we go on? We do not want to hurry Mr. Fairbairn. If Mr. Fairbairn can complete his evidence in a quarter of an hour, we could wait, if not we might sit from half past seven until eight to give him an opportunity to finish.

The WITNESS: In justice to the fruit industry, I do not feel I could complete in fifteen minutes.

The CHAIRMAN: What do you say to half-past seven.

Mr. SALES: It will take longer than that.

The CHAIRMAN: We will adjourn until half-past seven. We want to hear the debate on the budget. Mr. Wheeler, I understand you are one of the permanent officials and we can always get you, so we will not ask you to come back at half-past seven.

The WITNESS: I should like to give you some data with regard to our quantity of production and that sort of thing. I have hurriedly prepared some.

The CHAIRMAN: You are one of the gentlemen whose names were suggested to us several days ago by the Council of Horticulture.

The Committee adjourned until 7.30 o'clock p.m.

EVENING SESSION

7.30 p.m.

The Special Committee appointed to inquire into Agricultural conditions throughout Canada resumed at 7.30 p.m. Mr. McMaster, the Chairman, presiding.

J. B. FAIRBAIRN recalled.

By the Chairman:

Q. You might continue your statement, Mr. Fairbairn.—A. Well, as I pointed out, Mr. Chairman, owing to depressed conditions during the last three years in the fruit business, the majority of the growers are very much discouraged. I might say that all the fruit growers in the district are very much discouraged. We feel that we have had to accept the full difference between the variance in price between 1918, 1919 and 1920, as compared with 1921 and 1922, in our receipts, whereas those things which entering into the cost of production have remained at practically the same level.

Q. Those are what things—labour?—A. Yes, labour, machinery, packages, taxes and so on.

Q. What machinery do you use?—A. I will give you one concrete instance, a spraying outfit which prior to the war could have been bought for from $250 to $300, to-day it costs from $700 to $1,000.

Q. Where is that manufactured—in Canada or the States?—A. Most of them are manufactured in the States, or assembled here in Canada.

Q. Do you find much difference in price between those assembled in Canada and those in the United States?—A. No. I think they are practically all American made. I do not know of any Canadian manufacturer other than the Spray Motor Company at London, Ontario, that is turning out an up to date spraying machine.

Q. Do you know what part of the tariff that comes under, Mr. Fairbairn? —A. What part of the tariff?

Q. Under what item, or what other things it is grouped with?—A. I could not tell you that, sir.

Q. Well then, you go ahead, sir.—A. These articles such as baskets, boxes and barrels—I can give you details with regard to baskets very briefly—showing the increased cost, 1915 as against 1923. In 1915 our basket complete, that is, the 11 quart basket cost us $44 per thousand, and 1923, $79 per thousand. The 6 quart basket complete in 1915 cost us $34 per thousand, and in 1923, $69 per thousand. In 1921 we reached the peak of prices in so far as baskets were concerned when we paid $140 per thousand for 11's, and $130 per thousand for 6's. There has been a falling off in the last two years in those prices to our advantage, because we as growers must assumhe the cost of the packages. We have no way of passing that on to the consumer. The same thing applies to barrels, which to-day are twice the value of pre-war costs. The same applies to boxes, bushel boxes, for wrapping and packing apples.

Q. Do you do much of that?—A. We have not done a great deal, although some individual growers, myself for one, have packed from 800 to 1,000 boxes a year.

Q. And how do you find that worked out?—A. Our difficulty is in a district such as ours to get a sufficient uniformity in one variety of fruit to establish central packing houses, where a uniform grade and pack can be maintained. and where that central packing house can be run along commercial lines. We have too much variation in size and in colour in each variety to judiciously

handle those packing houses. There seems to be more uniformity in British Columbia as to size and colour of each variety. That seems to be one of our big obstacles, and of course we have not had to any great extent co-operative organization in the Province of Ontario, handling fruit through central packing houses, and until such time as we can establish central packing houses, our box trade will never compete with the British Columbia box trade. We must establish this uniformity of grade and size of pack in order to stabilize the market, in order to demand and make and control a market, and as individuals it is hopeless to undertake that. I might be able to handle my own output and sell it privately to good advantage.

By Hon. Mr. Sinclair:

Q. Have you taken any steps towards that end?—A. Yes, we have through our company, and we have very encouraging results from a central packing house at Burlington, operated through our own growers company, and we attempted last year, for the first time in the history of the Dominion to pack peaches in a central packing house.

Q. Do you yourself sell them from your packing house, or do you try to find a market for them?—A. Our peaches that were packed centrally for the most part I think were shipped to the West, to Winnipeg and points west. We believe that if we put our peaches up properly, that is, if we pick them in a hard ripe condition, and pack them in boxes, and pre-cool them, we can place them on the Winnipeg and western markets at an advantage. We have a pre-cooling plant at Grimsby, but none at Burlington. It is owned not by the company but by about twenty fruit growers who went into it aside from the company.

Q. They charge you for pre-cooling?—A. Yes. The company as a fruit growers company could not undertake the establishing of a pre-cooling plant, because of the partiality which they would show to Grimsby as against St. Catharines or Burlington, or any of the different shipping points that we maintain, so the growers in the vicinity of Grimsby were sufficiently anxious to undertake this thing, they went into it on their own, and the company pays for the privilege of using the place and so on.

Q. Do you know how much was saved by the pre-cooling?—A. No, I could not give you any figures.

Q. You would not have as much loss as on fruit that was not pre-cooled? —A. No, the big thing about pre-cooling was that we were able to demonstrate the advisability of more of those pre-cooling stations throughout the district to take care of the peak load in any one particular variety for a period of a week or perhaps two weeks. In the case of peaches we held them for three weeks to advantage, fifteen cars, and often it is just at the peak load of the peach season. For instance, Labour Day comes on Monday, the first Monday in September. It is a holiday. It is Toronto Exhibition time as well, and if the weather is exceedingly warm just at that time—.

Q. It ripens very fast?—A. Yes, and you can readily understand what happens? For the last two years we have been able to put in about fifteen cars of peaches at that particular time, and hold them for three weeks, and then sell them to advantage. Those are conditions that could be extended throughout the peach district, which would help wonderfully in solving the problem of distribution. Now, I have given you something with regard to the cost of baskets, and I say that the grower has had to take care of that loss. He has had to assume it, because he cannot pass on the cost of the package to the consumer.

By the Chairman:

Q. I would suggest that that would depend on the state of the market. If the market were hungry for the fruit and the supply not abundant, you could not pass on the cost of your basket.—A. It is a perishable article and I question very much if we could include the cost of the package in the sale price of the fruit.

By Hon. Mr. Sinclair:

Q. The package is only used once?—A. That is all. Now that is the basket, which is to-day nearly double what it was in 1915. The box is 30 cents, as against 16. The barrel is 85 to 90 cents, as against 42 to 45 cents; almost double. Our labour is less to-day than it was in 1920, but more than it was in 1915.

By the Chairman:

Q. What do you pay?—A. At the present time?

Q. Yes.—A. 25 cents an hour.

Q. Is that to boys and men?—A. That is to men.

Q. That is for picking and packing?—A. General farm work of that kind. In the picking season we would pay more, but the average for farm work, pruning and spraying and doing the team work, all that sort of thing, tractor men and so on, you would probably pay them 30 cents 35 cents, as high as 40 cents an hour; but generally as an average, 25 cents for men and 20 cents for women was the rate of wages last year. In the matter of taxes it shows quite an increase. I have an instance here of a piece of property which adjoins my own, on which the assessment has remained constant, and which has not increased in value, because of increased planting or anything that has really been done on the property, and the assessment is $2,250. In 1919 the taxes were $25.03. They have gone on until in 1922 they were $88.31.

Q. Your cost of improved roads comes into that?—A. One road, the Q. & G. road as we used to know it; it is a provincial highway now from Hamilton to Niagara Falls.

Q. Is that charged on the fronting proprietor to a certain extent?—A. Indirectly. The county pays a portion, you see.

Q. What I was wondering was, is most of that tax due to the obtaining of good roads?—A. No, I would say not. These things then are the things that have led us to thing that something in the way of reduced freight rates, something in the way of concessions, possibly, on the part of the railway companies, or perhaps a certain period to take care of peak loads in fruit to enable us to widen our markets would be of decided help in the way of encouraging the spirit of optimism, at any rate, to those who are now in the business and to those who contemplate coming in, because our planting has fallen off very materially. This year, for instance, the sale of nursery stock is about 60 per cent of what it was last year, due entirely to the poor prices that were received for fruit last year. It is no encouragement whatever to the grower to even keep up with his planting, and that, in the course of a few years, is going to have a marked effect upon the industry. It will have a marked effect upon the railroad and the traffic, the amount of fruit they are going to handle, and so on. While the industry may be small in our district, it represents a value of eight to ten million dollars a year, and while it is difficult, I know, to make any material reduction in the freight rates and tariffs and things of that kind, without getting into pretty lengthy discussion, nevertheless we believe that the last increase in freight rates, which we believe was in 1920, on which we should have liked to have had representation, we believe that that increase

was unjustified at that particular time. It was undoubtedly tended to narrow our markets. There are some things too which we believe would help us to widen our markets right up in Ontario, and I have in my mind now points that are not taken care of by the fruit tariff.

Q. That is the fruit railway tariff?—A. That is the fruit railway tariff—a joint commodity tariff over the existing lines; in other words, if the grower or shipper from points like Vineland, Jordan, Peachland, St. Catharines, or others, ship to some points on the C. P. R. in the province, he is compelled to pay second class rates. To cite an instance, the rate to Montreal from our point, the regular fruit tariff rate, is 95 cents per hundred pounds by express.

Q. Do you know that they are charging my maple sugar growers $3.00 per 100 pounds to Toronto?—A. That is the first class rate. Maple sugar comes under the first class rate.

Mr. GARDINER: Only this year.

By the Chairman:

Q. That has been the charge, taking it from $2.00 to $3.00 per hundred pounds. What is the value of your product per pound, compared with maple sugar?—A. To what product do you refer?

Q. Take grapes.—A. Grapes per pound, 2¼ cents.

Q. That is pretty low, is it not?—A. No, that is on last year's prices, $45.00 a ton.

Q. That is the rate they charge you? That is the rate you sell at?—A. That is the rate we sell at. I was speaking of the comparison between the express rate of 95 cents, as a fruit tariff rate, and the second class rate of $2.25 to the same point. Now, the points, for instance on the C.P.R. between Ottawa and Montreal, but that are in the vicinity of Montreal—the man who cannot ship via C.P.R.—there are a lot of men who are compelled to ship by the National because there is no competing C.P.R. at their station—that man must pay the second class rate, which is a $2.25 rate as against a man ten miles further up paying the 95-cent rate. We feel there should be a commodity rate fixed which would enable us to extend and enlarge our markets, because the consumer cannot pay that $2.25 rate as against the 95 cent rate. Then again, the point in question is Ste. Anne, twenty miles out of Montreal—I happen to have some friends who live there, connected with the college, and they tell me they have to buy their peaches in Montreal and carry them out themselves, because the dealer in Ste. Anne cannot afford to buy his peaches on the Montreal market and pay the freight rate from Montreal to Ste. Anne.

Q. Your idea is that they should be able to have the peaches taken off at St. Anne and have the same rate?—A. The same rate, at least.

Q. You have been studying freight rates a good deal?—A. Not a great deal, no.

Q. Have you been able to realize on what principle they have been carried out?—A. I appreciate the fact that they must be based on the carrying charges.

Q. I must frankly admit that I have not been able to grasp—perhaps it is my own fault, but I have not been able to grasp any underlying principle of freight rates. It does not cost the railway any more to take care of your grapes down to St. Anne, twenty miles west of Montreal, than to take them to Montreal itself?—A. It ought not to cost a bit more.

Q. According to you they charge more?—A. Yes, because they take them into Montreal and take them back over the road again.

Q. That does not seem to be a wise action, carrying a thing a certain distance and pulling it back part of the way.—A. Because they can get a better rate out of it.

Q. We are looking at it from a national standpoint. It does not seem economic wisdom, does it?—A. No, it does not. There are quite a number of places, I believe—I asked our agent and he gave me to understand that there were quite a number of places where there was no fruit tariff rate, and where the second-class rate would apply, and I know that our company is anxious to extend the market in every way that they can. They are anxious to reach out to the smaller towns throughout the province, and it is those smaller towns in a great many cases that are not exactly in the tariff rate.

Q. Have you taken this matter up with the Board of Railway Commissioners?—A. Not recently, no. Our growers have been represented before the Railway Board at different times, when some of these increases were put into effect, but I am led to understand that at the time the increase in the express rate was made the Railway Board appreciated the fact that rates ought not to be unduly heavy on the fruit industry, and we have, as against three increases in freight rates, had but one increase in express rates, which we feel is quite in accord with the service that they have been endeavouring to give us, and we make no complaint as tot the increase in expresse rates, which has been moderately considered. The express companies have tried in more ways than one to improve their service, and we are quite prepared to accept help in the service and accept the rates that prevail.

Q. Is your district served by both the Canadian National and the C.P.R.?—A. A portion of the district is, yes.

Q. I would like your view as to whether there is any substantial difference in the quality of the service afforded by the two lines?—A. You appreciate I would be giving you a personal viewpoint?

Q. Yes.—A. Prior to the formation of our company, as I told you, I sold my own output myself personally, and I must say I always preferred to deal with the C.P.R. and I did it whenever I could. Where the two lines were going to the same point, I used the C.P.R. because of the service. I had less claims for adjustments at the end of the season with the C.P.R., and I found that when I went to make them, they were made more readily and more pleasantly. I have claims outstanding at the present time of five and six years duration with the then Grand Trunk, the Canadian Express Company, and I do not expect that they will be settled, but no such conditions have existed with the C.P.R.

Q. After all since the change in the management, have you seen any improvement in these conditions?—A. There was a decided improvement last year. We felt that we assisted very materially in that improvement, I mean to say, our company did, in that they were able to predict or ascertain beforehand the probable number of iced cars for the various points. They were able to hand this information to the railway company, and the railway company went so far as to place a man in Hamilton, whose sole business it was to look after refrigerator cars and see that there were a sufficient number of cars each day at each shipping point, and I want to say in fairness to the company, that I have never had as good service before as we had last year. There was never a day when the required number of refrigerator cars was not available, whereas in 1920 there would be a demand for from 12 to 15 refrigerator cars at a point, and 3 would turn up. That ocurred time and time again, and every available place within half a mile of the station was packed full of fruit and held over night and over Sunday because the refrigerator cars did not come along as ordered. These conditions did not exist last year. The conditions were very satisfactory indeed. You are probably familiar with the increases that have

been made from time to time. In March 1918 there was a 15 per cent increase. In August of 1918 there was a 25 per cent increase, the 25 per cent cancelling the 15 per cent of the March before. In 1920 there was a 20 per cent increase.

Q. These are freight rates, not express rates?—A. Freight rates, yes. Now the multiplication of these rates result in approximately an eighty per increase in Eastern rates, with a fifty per cent in crease in the Western rates. I am giving you a comparison of these rates from points in our district, say St. Catharines to Montreal. The rate in 1914 was 31 cents.

Q. 31 cents per hundred pounds?—A. Yes, sir. At the present time it is 55 cents, an increase of 79 per cent.

By the Chairman:

Q. Let me interject a question here. Have you ever considered what increased labour charges the railways are being obliged to pay now over what they paid in 1914?—A. I presume they are obliged to pay more, Mr. Chairman. On the other hand I presume their total business is greater, their volume of business is greater, and they are better able to take care of that increase than we are. Our total volume is no greater, it is less, in fact. I am looking at it from our point of view.

Q. We are trying to look at it from all points of view.—A. I appreciate that, but I must look at it from my point of view.

Q. Of course you must, and I do not want to limit you in the presentation of it. But will you answer this question: How does the remuneration paid to railway men in your part of the world compare with the earnings of men of similar education and physical capacity in other walks of life?—A. They would be about three times as great, I would say.

By Mr. Gardiner:

Q. Three times as great, provided they are working steadily?—A. Yes, provided they have steady work.

Q. Do you know whether they are working steadily or not? -A. Yes. Our men are engaged for the most part by the year, twelve months, and the current wage for a married man is from $500 to $700 per year, while a railway man will earn $1,500 a year or more if he is working the twelve months.

By the Chairman:

Q. The engineers, firemen and conductors earn very much more than $1,500 a year?—A. Yes. I said three times as much. That is how I was basing it. They would earn three times as much, and possibly more. Our men will not average $700, but the best of them are getting $700.

By Mr. Gardiner:

Q. What do you mean by your men?—A. The married men working on a fruit farm twelve months out of a year.

Q. They do not get more than $700 a year and provide for themselves?—A. No.

By the Chairman:

Q. Does a married man get his house rent thrown in?—A. In some cases yes, but probably no.

Q. He will have to pay house rent in addition?—A. Yes, but only from $3 to $5 a month.

By Hon. Mr. Tolmie:

Q. What kind of a house would he get for from $3 to $5 a month? —A. A house with four or five rooms.

Q. With water laid down, and ordinary sewage?—A. No.

Q. Would he have water laid down in the house?—A. No; he would have to carry it.

I was giving you some comparisons of freight rates from St. Catharines to Montreal. From Grimsby to Cochrane the rate was 51 cents in 1914; at the present time it is 91·5, an increase of 75 per cent. The rate from Burlington to Ottawa was 29 cents in 1914; it is 52·5 at the present time, an increase of 84 per cent. From Stony Creek to Winnipeg the rate in 1914 was 66 cents, as against $1.06 at the present time, an increase of 61 per cent.

By the Chairman:

Q. That Winnipeg rate is pretty low?—A. It is $1.06·5 on a mileage basis

Q. What do you pay to Montreal?—A. To Montreal we pay 55.5.

Q. That is about 350 miles?—A. Yes.

Q. The distance to Winnipeg would be how much?—A. 1,400 miles, or something like that.

Q. One of the things in railway rates to be considered is that the longer the haul the cheaper the per mile rate?—A. Yes, that is where the long haul comes in. The average increase shown by the figures I have just given you is 82·5 per cent as against the 1914 rates. I pointed out the 1914 conditions with regard to the cost of packages, with regard to taxes, with regard to labour, and here they are with regard to freight and so on. The prices for fruit that we received last year all along the line, with the exception of red raspberries, were decidedly less than they were in 1914, yet we have had to maintain these increases in everything that entered into the cost.

Q. Tell me this: were those very low prices last fall due to a very abundant harvest?—A. Partly, assuredly. But to my mind there is not enough territory in the Dominion of Canada where tender fruits can be grown to supply the population of Canada, if we could reach the people, if we could offer the population the fruit when they wanted it. One-half the people in the Dominion are not getting the privilege or the opportunity of buying. We never can hope to produce more tender fruit in the Dominion of Canada than the population will take care of, because the area, geographically speaking, is so circumscribed, so small. You cannot grow tender fruits except in the southern parts of the Dominion and in British Columbia.

Q. You are talking of such fruits as peaches, apricots, and cherries?—A. No. We can grow cherries along the north shores and in Quebec. I refer more to peaches and strawberries.

Q. We grow strawberries.—A. Not commercially, not all over.

Q. But people can grow them for themselves in the country. We had a gentleman here from Prince Edward Island who told us of the strawberries grown there.—A. Yes, but outside of the Niagara Peninsula and the southwestern part of Essex and Kent, and the Okanagan Valley in British Columbia, commercially speaking, these fruits are not grown to any extent.

By Hon. Mr. Tolmie:

Q. Strawberries are grown on Vancouver Island.—A. Yes, and in Nova Scotia a limited quantity is grown. But generally speaking we cannot hope, because of the geographical conditions, to overtake the demand for the production of tender fruit, in my estimation, even if we make an honest effort to do it. We have never done it yet. We have crowded into Montreal and Ottawa and flooded those markets, while the outlying points are not reached, anyway.

APPENDIX No. 3

By the Chairman:

Q. Have you read of Mr. Shapiro, the gentleman in California?—A. Yes, sir.

Q. The situation in California was not unlike the situation you are complaining about to-day, I think?—A. Similar to a certain extent, I imagine.

Q. He overcame the difficulty by co-operation?—OA. Yes.

Q. As I understand it, their system was to bind the growers of a certain specified fruit together by long term contracts, and that gave those responsible for the movement the security which, having several years to work the plan out, entailed. Are your ideas along that line, Mr. Fairbairn?—A. Only partly, sir. The difference between our conditions and the Californian conditions is this, that in California 85 per cent of the fruit produced, that is, similar to the fruit we produce, is not placed upon the fresh fruit market, it is taken care of by evaporators or canning factories, and 15 per cent of it is put on the fresh fruit market. In our case 85 per cent goes to the fresh fruit market, and about 15 per cent of it goes to the canning factories. The conditions are absolutely reversed. I got that information from Mr. Shapiro himself.

By Mr. McKay:

Q. That system would not work in Canada at the present time?—A. Not at the present time.

Q. Suppose you take the situation in Western Ontario, with all this supply of fresh fruit, how could you, with these excessive freight rates, supply places such as Arnprior and other places up the Ottawa river? The prices are so high that the people cannot touch the fruit, while thousands of dollars worth go to waste?—A. That is correct. What I am trying to point out is that there is a certain portion of our district which is compelled to ship all its fruit, because of the difference in freight, to Canadian National points. They have not the opportunity of using C.P.R. points, because of the fact that they must pay the second class rate, which is from one-third to two or three times as high, depending upon where it is. There are some inconsistencies in the tariff, too; for instance, in our own district, St. Catharines, which is seven miles by railway from Vineland, I think, and beyond that Merritton, beyond that again Niagara Falls, Bridgeburg, Stevensville and a lot of little points down there, they are not in the freight tariff, and if I want to ship fruit down there I have to pay the second class rate.

By Mr. Bouchard:

Q. Do I understand that you have different rates on the Canadian National from the C.P.R.?—A. I do not understand the question.

Q. Are there different rates for points on the C.P.R.?—A. No, but if I ship from Vineland, which is a Grand Trunk point or a Canadian National point, to some point on the C.P.R., I must pay the second class rate.

Q. Why so? Is there any reason for that?—A. That is up to the people, I presume.

By the Chairman:

Q. You cannot see any reason for it?—A. No. It is hurting our business, it is hurting the extension of our market.

Q. When you make a complaint, what do they say to you, what reply do they make?—A. I cannot say that this matter has been before the Board, that is, before the Railway Board.

Q. You should bring it before the Board with all your strength. It is a matter of real importance to the people of Canada, that so long as the carriage

of fruit can be effected without public loss, either to the railways or to the public, that is, as to a railway deficit, all places in Canada should be placed upon a fair basis. That is to say, the cost of carriage should be the determining factor, and the small place as well as the large place should have the privilege of having its fruit carried to it at the same rate.—A. Yes.

Q. It would seem to me that that should be a matter of public policy.—A. It is.

Q. If you had that principle applied, do you believe you could enormously increase your sales?—A. Yes, sir, we believe we could extend our markets, widen our markets wonderfully.

Q. Last fall I understand there were parts of Ontario where fruit rotted on the ground, because it did not pay to pick it, while in many other parts of Canada people were being charged comparatively high prices for fruit, and would have gladly taken all that fruit which was spoiling if the freight rates had been sufficiently low to enable those fruits to be delivered to the consumers at reasonable prices.—A. We believe so. In 1920 there were tons and tons and tons of delicious peaches, luscious peaches, that were never picked. Plums we did not pick in 1920. In 1921 the crop was less, and we picked practically everything that year.

Q. Have you canning factories or drying factories in your part of the world?- A. There has been nothing done with regard to evaporating or de-hydrating as yet. We have asked the Dominion Government to conduct some experiments this year in regard to de-hydrating, and we have a reasonable assurance that something will be undertaken. You will understand that our fruits differ from Californian fruits. They differ in their sugar content, in their moisture content, and so on. In order to de-hydrate them and compete with de-hydrated Californian fruit, we must be able to maintain their high standard of colour, because a de-hydrated fruit that lacks that colour which the public has become accustomed to, would not sell. We could not undertake the business, so we have asked that some preliminary experiments be undertaken to determine whether it is a feasible practice or not.

Q. Let me ask you this: What would prevent your part of Canada being a preserving or a canning centre—or is it now?—A. It is not now, nor, sir; it certainly is not now.

Q. You have the fruit, but sometimes you have not got a ready market for the fruit. I am not a fruit man or a merchant, but it would seem to me it is a sort of economic necessity that you should have preserving plants, where you could can or preserve your surplus fruit.—A. It looks that way. But I do not know enough about the canning business to know whether it would be profitable or practicable. We have had canning factories throughout the entire district. I do not know what has happened to them, perhaps you gentlemen know better than I do. Some are closed up, and the whole thing is being bought over this year and run under the one management.

Q. Who is buying it?—A. The Canadian Canners, I think it is called.

Q. Not the Dominion Canners?—A. No, but the Dominion canners I presume are part and parcel of the organization, although I understand the Canadian Canners have the major portion of the stock. The canning factory at Jordan is being closed up this year. I understand, although I am not sure, that the one at Vineland is to run; that is only hearsay. Beamsville has a canning factory, and Grimsby has two.

By Mr. McKay:

Q. Are those private factories?—A. There is one private factory at Grimsby, and there is one at Vineland. I do not know about St. Catharines, perhaps

Mr. Chaplin can tell you about St. Catharines. I am not sure, but I think St. Davids has one, which is a Dominion Canners factory.

Mr. J. D. CHAPLIN: There are about twenty canning factories in the county of Lincoln. About one-half of them are Dominion Canners, and the balance are what might be called independents. Those have not been making any money. I understand, just as Mr. Fairbairn says, that it looks as if there was an amalgamation of the whole of them taking place now, to put them all on their feet. I do not know anything about the basis of the arrangement at all.

WITNESS: No, sir, we have not. We want to make a success of the other thing, if we can. That is a possibility of the future, of course.

By Hon. Mr. Tolmie:

Q. The combination as far as you know, would be in a better position to do business?—A. I have heard nothing of it. I know practically nothing about it.

By the Chairman:

Q. Pass on to the next.—A. I would like to point out to this Committee that in 1904 the then existing rate to Winnipeg was 84 cents, and that when the first Railway Board was established representation was made on behalf of the fruit industry, and a special commodity rate was given at 63 cents, and in the second year that meant something over 100 cars more of fruit shipped to Winnipeg. Some of our growers have intimated that if a special commodity concession could be made for a certain period in the year to take care of peak loads,—I know there are a great many difficulties in the way of the working out of some scheme—at any rate the idea we have in mind is that if we could have at the peak load of any particular crop, a reduction—

Q. When does your peak load come? September?—A. Yes, the month of September is the peak load in pretty nearly everything,—that that in itself would be a big help in widening our market to the Maritime Provinces as well as to the west.

By Mr. McKay:

Q. You mean for apples?—A. No, I mean for peaches largely, and grapes.

By Hon. Mr. Tolmie:

Q. How many weeks would that period last?—A. From four to six weeks.

By Mr. Hammell:

Q. Is there any way of placing this fruit in cold storage?—A. We could spread the delivery over about three weeks by placing it in cold storage. We demonstrated that by the plant we started at Grimsby. In fact we bought over the old Dominion Government experimental plant, and tore the whole inside out of it, and we have a commercial plant there now. It is working to capacity and working splendidly, but we could do with one of those plants at every shipping point, and that would be a wonderful help, and there would be other things. We could freeze strawberries and raspberries and hold them all winter, and dole them out to the canning factories, as they wanted them.

Q. Have you ever undertaken to ship peaches to the Old Country?—A. We did last year. Just a very small quantity. The Provincial Minister of Agriculture, Mr. Doherty, has expressed himself as willing to undertake some experiments, along that line, this year, and I believe he is working in conjunction with our company to attempt some experiments along that line.

By Mr. Munro:

Q. Do you use pre-cooling plants?—A. Yes, at Grimsby.

Q. Do you not find that it is a disadvantage not to have pre-cooling plants? —A. Yes, it is a big disadvantage. Had we a plant such as is at Grimsby at each shipping point, it would make a wonderful difference.

By Hon. Mr. Tolmie:

Q. How long would pre-cooling lengthen the shipping period of peaches? How many more days? -A. Well, we could hold them to advantage for three weeks. We have demonstrated that. We have held them three weeks, and sold them for 10 to 15 cents a basket more than we could have got for them in the peak load of the season.

Q. So that pre-cooling means a tremendous advantage?—A. Yes. We could put our peaches in Edmonton without any difficulty.

Q. What does a plant such as you describe cost, roughly?—A. Roughly, $200,000.

Q. What would be the capacity of a plant like that in carloads?—A. I know that we have had 15 cars of peaches in there at one time, along with some other stuff. I suppose maybe 20 or 25 cars.

Q. That would be about the capacity of your plant at Grimsby now?—A. Yes, I think that is about the capacity. I may be a little high.

Q. For how many months in the year do you use that plant for fruit storage?—A. About eight months—nine months.

Q. Are you using it also for the holding of your apples?—A. Yes, we only just cleaned out about a month ago.

Q. What line of apples are you putting on the market as a result of that? —A. We are all through now.

Q. What was your last variety?—A. We took some McIntosh out of there just the other day that were in perfect shape.

Q. Did they stand up pretty well in the market?—A. Splendidly, Spies and Greenings and Baldwins.

By the Chairman:

Q. What do you grow in your district?—A. You mean apples?

Q. Yes.—A. Beginning with Duchess as a summer apple, Transparent and Astrachan in the month of August, and then Wealthy and Gravenstein for fall varieties chiefly, and Greenings and Snows and Spies and McIntosh Reds—Baldwins.

By Hon. Mr. Tolmie:

Q. Any Jonathans?—A. No Jonathan—no Delicious.

Q. Do not Delicious grow in your district?—A. They are not being planted commercially.

Q. Have there been any signs of disease in the Delicious, as far as you have gone?—A. No, they are not old trees yet. The oldest I have in mind are about ten years.

Q. Do you get good colour?—A. Yes.

By the Chairman:

Q. Mr. Fairbairn, I think you have some figures about the cost of production. If you are finished with what you want to say, you might just pass to that, but I do not want to hurry you.—A. I want to indicate one other thing, just while I am on the haulage matter, and that is that for a long number of years our shippers enjoyed the privilege of unloading, shipping in carload lots to the west and to the Maritime Provinces, with unloading privileges at a num-

ber of points. Now that privilege has been cut off, and at the present time we may unload at three points by paying $6 for each opening of the first two. In other words, we could consign to Halifax, and open the car twice before we got there, and pay $6 for the privilege of each opening, or we could ship to Brandon, and we could open twice before we got there, and pay $6 in addition to the rate. The privilege enjoyed as I say for twenty-five years or more was that we could open at more points in the west as well as in the east. The number of places that can take a carload of fruit are decidedly few as compared with Ontario points that can handle carload shipments, so that if some concession in that line could be made, it would also be a help towards extending and widening our market.

Q. Have you made a complaint in this regard to the Board of Railway Commissioners?—A. I believe that this matter was dealt with. Mr. Bunting, I think, presented this to the Railway Board a year or two ago.

Q. Who is he?—A. He is one of the oldest fruit men in Niagara District, living at St. Catharines.

By Mr. Hammell:

Q. Did he go before the Railway Board in his private capacity?—A. No, as representing the Niagara Fruit Growers Association. He has been connected with the organization since its inception twenty years ago. Now, you asked me for some costs.

By the Chairman:

Q. It would be rather interesting to us, because the British Columbia people have put in a memorandum of their costs, and we had some figures on costs from Nova Scotia, and from New Brunswick, as well as from Prince Edward Island.—A. Well, take strawberries as an example. In 1920, 1921 and 1922 the average yield per acre was 258 27-box crates. The gross income per acre for the same three years, 1920, 1921 and 1922, was—in 1920, $859.20; 1921, $613.34, and 1922, $488.30. The cost per acre in 1922—I was not able to compile the other figures for you, but I will give you the 1922 costs—labour, $256; fertilizer, $85; packages, $100 and overhead, $35.

Q. The overhead is the interest on the investment?—A. No, sir, supervising, leaving out the interest on the investment and the taxes. This is just a production cost as it were, leaving those two items out.

Q. Just as if it was Crown lands that you had got for nothing?—A. Yes, sir. We have not been able within the last three years to show a balance on the right side.

By Hon. Mr. Tolmie:

Q. In a developed district, would not the natural increase in the price of land more than meet the interest?—A. In a growing district?

Q. Yes?

By Mr. Hammell:

Q. What is the average cost of land per acre?

By the Chairman:

Q. It is the westerner's view that really you hold land with the hope of selling it?—A. Mr. Chaplin reminds me that ours is going back. We thought we had reached the peak as far as land prices is concerned, a few years ago possibly.

By Hon. Mr. Tolmie:

Q. What is your land worth, planted to a variety of apples, like Spies, per acre?—A. Well, if I could buy it in our district planted that way, I would gladly pay $500 an acre. It is not available. We have not got any for sale just like that.

By Mr. Hammell:

Q. What is the average price of land between Hamilton and St. Catharines?—A. Well, the average price of planted land is—

Q. I mean, some of those vineyards?—A. With reasonable buildings on it, if the acreage is fair sized, if you are buying a 5 or 6 acre proposition, with pretty fair buildings, you are likely to pay from $1,000 to $1,500 an acre. In fact I know of one or two instances where they paid $1,500 to $2,000 an acre, for a small acreage with good buildings, but a 25 or 50 or 100 acre proposition, with some good buildings—there is usually some open land on it. There is not very much planted land being offered for less than $500, $600 or $700 an acre, and up as high as $1,000.

By Hon. Mr. Tolmie:

Q. If you had 10 acres, it would cost you $500 an acre?—A. Yes.

Q. How long does it take the Spy to come into bearing?—A. It is one of the slowest. Full bearing will take 15 to 18 years.

Q. You have to start young at that game to make any money?—A. Yes.

By the Chairman:

Q. What do you say now as to the method of accountancy which leaves out the overhead in respect to capital invested and taxes?—A. That seems to be the general way.

Q. I noticed that Mr. Newman did the same thing. We have had other experts who have come and given us different ideas, but among a multitude of counsellors there is wisdom.—A. That total that I gave you for labour cost is $476 per acre, as against the income of 1922, $488.

By Mr. Hammell:

Q. How much per acre did that net the producer? What is the selling price per acre?—A. I have not got the average for last year, but the average would be about 8 cents—8½ to 9 cents a box.

By Hon. Mr. Tolmie:

Q. How many pounds are there in one of those crates?—A. 27 boxes. I do not know just how many pounds there are.

Mr. CHAPLIN: There are two crates to 100 pounds.

WITNESS: Somewhere about 48 pounds possibly to a crate.

By Hon. Mr. Tolmie:

Q. As heavy as that, for a strawberry crate?—A. Yes, 27 boxes.

By the Chairman:

Q. What is the result, estimated on your basis?—A. In strawberries?

Q. Yes?—A. The yield?

Q. What was the profit or loss per acre? That is what you are getting at, is it not?—A. $12 an acre.

Q. Profit?—A. Yes, sir.

Q. Well now, if you added taxes?—A. The rent of that land would be $20 an acre, if you want to rent it. The taxes on that land would be about $7 an acre.

Q. Then there was a loss to you. If you count in your overhead, as I think you should, there would be a loss of $15 an acre on these strawberries last year? —A. Yes.

By Hon. Mr. Tolmie:

Q. Was that a bad year?—A. No, that was not a bad year.

Q. Do you lose that much every year on your strawberries?—A. The year before, Doctor, was $613. There would be a slight difference, probably $100 the year before.

Q. Profit?—A. Profit without figuring the interest and the taxes and so on.

Q. Take the last five years, how many of those years paid you?—A. The last five years have been the best years we have seen in the business for twenty years.

Q. So the five previous years do not show as good a record?—A. Previous to what year?

Q. Beginning at the last five years, and going back five years more?—A. No, 1910 to 1915 would not show as good a record, 1915 to 1920 would. Those would show the best years that we have had in strawberries and red raspberries, cherries and peaches and grapes.

Q. To what do you attribute the low profit? Is it due to excessive cost of handling, or to the low prices in the market?—A. It is due to both.

Q. How much do you figure your productions have increased in percentage in the last five years over the previous five years?—A. Well, I would say from 40 to 50 per cent. Barrels, boxes and baskets have increased practically 50 per cent. Taxes are more than 50 per cent, and the labour cost is not so much. The increase in labour is not so great.

Q. What does the picking cost in one of those crates? Do you do much of your work by contract, picking by the crate?—A. Not generally speaking. The picking is done by the day.

Q. Is there any such thing as contract picking of blackberries, raspberries and strawberries?—A. For blackberries we pay so much a pound.

Q. How much a pound do you pay?—A. For picking?

Q. Yes.—A. We pay about 4½ cents. We pay about 2 cents for strawberries; 3 to 4 cents for raspberries and 4½ to 6 cents for currents and so on. That will depend on the crop and on the year, you see.

Q. What variety of blackberries do you grow down there? Himalaya or Evergreen?—A. I thought you had reference to currents. We do not grow very many blackberries. You are speaking of the large logan berries?

Q. Do you grow these?—A. No, not to any extent.

By the Chairman:

Q. Let me read to you what Mr. Dewar of Prince Edward Island said his cost of growing an acre of strawberries was: rent of land, $28; preparation of the soil, $5.80; fertilizer, $40; plants, $28; planting, $12; cultivation, $30; mulching, $24; crates, $37; boxes, $37; picking, $125; marketing, $40; making a total of $406. He says that he got 5,000 boxes last year, and his profit last year was probably $350 an acre.—A. Well, I am glad they were so well off down there, so fortunate.

Mr. HAMMELL: He sold them at 15 cents a box.

The WITNESS: That is twice the price we sold at. That is twice our price.

Hon. Mr. TOLMIE: Where did Mr. Dewar market his?

The CHAIRMAN: He sold them in Sydney and some locally, in Charlottetown.

By the Chairman:

Q. Is the Toronto and Hamilton market not so good as the Sydney market?—A. It could not have been last year. That was our company's price.

Q. It is a large industrial centre?—A. These figures were based on our company's prices last year.

By Mr. Hammell:

Q. There was not so much difference in the yield? Your yield was about 7,066 boxes?—A. Yes.

Q. Mr. Dewar gave his yield at 8,000 boxes.—A. He has a difference of $70 in the cost of production. Our cost is $70 greater than his in the cost of production. That is quite possible.

By the Chairman:

Q. I would have you know that he charges in rent of land, $28.—A. Yes, I told you the rent would be $20 for strawberry lands and for good raspberry land.

By Mr. Hammell:

Q. His is $28?—A. Yes. I was trying to be conservative.

By Mr. Tolmie:

Q. That is a good thing.—A. Our company endeavoured to work out for their own satisfaction some figures with regard to the relative cost, which I have here. I do not altogether agree with the one item, which is the retailer's cost, but Mr. Baxter gladly gave me those figures in the event that they might throw some light on the situation, and I will just read some of them to you. In the case of plums, in 11-quart baskets, Toronto, Montreal, Quebec, Halifax, North Bay and Winnipeg—these were destinations. That is net to the grower—that is what the company paid us in each case, 18 cents for an 11-quart basket. The company got for operating, 4 cents.

By the Chairman:

Q. Out of that 18 cents, did you furnish the basket?—A. Yes, at a cost of 9 cents, and then we paid the picker for picking them, and then we hauled them and so on. When you are speaking of baskets too, just let me point out—I think I have given you the price of baskets already.

Q. You have, yes.—A. It does appear these manufacturers of baskets are able to meet together at any rate, and pretty well decide on what we ought to pay for our baskets, from time to time.

Q. They have at least a gentlemen's agreement?—A. It would appear so.

Q. Just tell us about that. How do you come to that conclusion? Do you find they quote the same price?—A. Last year our company wrote and asked each individual manufacturer of baskets to submit prices on a million baskets, and strange to say there was a marked similarity in the replies that came back.

Q. Even the phraseology was the same?—A. Nearly so. The prices were identical, in other words.

Q. Even the phraseology of the letter was the same, which would show the letters had all been drafted by the same people?—A. I did not see the letters. I could not say as to that.

By Mr. Hammell:

Q. Did your company ever consider the idea of making the baskets?—A. No, I cannot say that they have.

Q. It seems to me if you got in a country such as I came from, where there is more timber and basket material wasted than would make all the baskets that the Niagara Peninsula uses, you would make your own?—A. You understand we are a new company just started, and practically without capital. We paid 20 per cent of our share at the time that we joined the company, and that simply represented one-fifth. A man can only buy five shares. Everyone was limited to five shares, of $100 each, and the result was that most of the twenty per cent that was paid in was used up for organization expenses.

Q. Did you ask for prices on baskets from the co-operative concern situated at Niagara-on-the-Lake?—A. I think so. Not being an official of the company I could not answer. I could not tell you about that, but I believe—

Q. You believe such a step was taken?—A. I think so.

Q. Do you remember whether you got the same price from this co-operative association?—A. I could not say as to that.

Q. I see that baskets seem to be fairly heavily taxed by the tariff. Do you know whether your competitors in the other side of the border have to pay as much for their baskets as you have?—A. Yes. The only inquiries I have made there are with regards to the bushel hamper which they use almost exclusively. We use the climax baskets more than we do the bushel hamper, and I compared the prices of the bushel hamper over there, not recently, but two or three years ago, and it was practically the same. In fact, we use mostly the American hamper ourselves. The bushel basket that is made in Ontario does not begin to come up to the standard that the bushel hamper of the United States does.

Q. Do they ask the same price for it?—A. Yes.

Q. It pays you to buy on the other side of the line and pay the duty?—A. We buy it on the other side of the line. Mr. Chairman, we do not mind in the least paying the duty on the bushel hamper.

By Mr. Hammell:

Q. So long as it does not hamper the trade?—A. So long as we can get a fair price, such as we get, from fifteen to twenty per cent for our product, when it was ready, when there was a period of prosperity in this country, when everybody was at work, and the labourers were making good money; there was a ready demand for all the fruit we could produce at prices that enabled us to make money, and we were glad to pay the prices for the hampers made on the other side with the duty that would be charged on our spraying implements or anything else. We could readily do it, and have a good margin on the right side at the end of the year, but the bushel basket as made over there is as far ahead of ours for fruit shipping purposes, as it can possibly be. If I were going to ship potatoes or some roots or something of that sort, it would be a different matter, but for peaches, or for apples, I think Dr. Tolmie will bear me out that there is no comparison between them.

Q. Is there any reason why our people on this side of the line cannot make as good a bushel basket as they do in the States?—A. There is no reason, that I can see, but they have never tried to compete in that particular article.

By Mr. Hammell:

Q. Are they wire bound?—A. They are wooden bound. The only wire is in the handle.

By the Chairman:

Q. I suppose you would be glad to buy them in Canada if you could get as good an article?—A. Yes.

Q. Is there much demand for them?—A. The demand is increasing. It would be just a guess if I were to say how many carloads were brought in, but I suppose our district would take care of five or ten carloads in a particular season.

Q. I suppose there is a much greater demand for the basket on the other side of the line?—A. They use it entirely over there. Well now, getting back to this statement: plums, 11 quarts, 18 cents to the grower, 4 cents to the company, 9 cents to the express company for delivering in Toronto; 16 cents to the express company for delivering in Montreal; 26 cents to the express company for delivering in Quebec; 35 cents to the express company for delivering in Halifax; 20 cents to the express company for delivering in North Bay; 54 cents to the express company for delivering in Winnipeg.

Q. To Winnipeg, or in Winnipeg?—A. To Winnipeg.

By Mr. Sales:

Q. 54 cents?—A. Yes.

Q. How much do you say to Toronto?—A. 9 cents to Toronto, 54 cents to Winnipeg.

Q. 18 cents to the grower. 6 cents to the company?—A. 4 cents to the company.

Q. What are they sold at in Toronto?—A. What do they sell at in Toronto?

Q. Yes.—A. The wholesaler in Toronto got 12½ per cent or 4 cents, and we are assuming that he retailer got 33½ per cent, or 12 cents.

Q. You assume that?—A. Yes.

Q. Is that a fair assumption.—A. I think that is a very conservative assumption.

By Mr. Sales:

Q. What are they sold at in the retail shops?—A. I have not the selling figures. The consumer, 50 per cent.

Q. The consumer 50 per cent?—A. Yes, and the other items I have given you make up the other 50 per cent. I am showing whereas the consumer in Toronto paid double what it cost to put it there.

Q. That is not just as clear as it might be. The consumer paid a certain price.—A. Assuming that the price was $1. It cost 50 cents between the grower's company, the express company, the retailer, and the wholesaler got 50 cents and the consumer paid $1.

By Mr. Sales:

Q. Eighteen cents to the grower?—A. Yes.
Q. Nine cents to the express company?—A. Yes.
Q. Four cents to the company?—A. Yes.
Q. Four cents to the wholesaler?—A. Yes.
Q. Twelve cents to the retailer?—A. Yes.
Q. That only makes 47 cents.

The CHAIRMAN: That is what the consumer paid.

Mr. SALES: There must be something else we have not got.

The CHAIRMAN: Perhaps if you will let me see that I will see if I can make it out.

The WITNESS: These were compiled by the company and sent down to me.

By Mr. Hammell:

Q. The consumer should be the next party after the retailer?—A. Yes.

By Mr. Sales:

Q. According to those figures, it cost the Winnipeg man 92 cents?—A. Those figures show $1.20 odd.

Q. At Winnipeg?—A. Yes.

Q. You have missed something.

By Hon. Mr. Tolmie:

Q. That is for a crate of plums?—A. An 11-quart basket of plums.

By Mr. Sales:

Q. Then we wonder why they do not use many of them.—A. They were retailed out there, I am told by friends, at $2 and more per basket.

Q. We do not know. We did not buy any. We are growing our own stuff in our own gardens as much as we possibly can, and are pretty nearly getting away with it, too.—A. You are able to grow some fruits?

Q. They are not of as big a variety as we would like. You take raspberries, citrons, squash and a lot of rhubarb and some currants, we can get along, because that is the advice we give, to economize and live within ourselves. You can decide whether it is any good to you as a fruit grower down east or in British Columbia. If we follow out that advice, it will be disastrous to you.—A. Do you think you can produce those things you need, so to speak?

Q. We can produce a fruit. It is not what we would like, altogether, but when the price gets high and our money does not go around, these are the things we have to cut out.

The CHAIRMAN: Mr. Chaplin and I have worked this out. It does not mean that the consumer has paid $1, it means that the consumer paid 50 cents, and that 50 cents is made up substantially as follows: The grower got 18 cents, the packer got 4 cents, the express company got 9 cents, the wholesaler got 4 cents, the retailer got 12 cents, which makes 47 cents, and the consumer paid 50 cents. The retailer got a little more, or somebody else might have got a little bit more, but that is a fair division. In Winnipeg they paid $1.20 for an 11-quart basket of plums. Of that amount the grower got 18 cents, the packer got 4 cents, the express company got 54 cents, the wholesaler got 15 cents, the retailer got 30 cents, which makes $1.21. That is the way it works out. Thirty-three and a third per cent is not an out of the way retailer's profit, I do not suppose.

By Mr. Sales:

Q. Fifty-four cents seems a lot of money. How many crates would there be in a car, Mr. Fairbairn?—A. How many crates?

Q. Yes.—A. Baskets you mean?

Q. Yes, baskets?—A. Of 11-quart baskets to Winnipeg there ought not to be over 1,500.

Q. At 54 cents each?—A. Yes.

Q. That would mean about $800 for that carload?—A. Yes, about that.

Q. Doesn't that seem high, or is it?—A. That is figured on a carload rating, I think.

By Mr. Hammell:

Q. How many times has that car to be iced on the road?—A. About three times, I think.

Q. That is where labour comes in again?—A. The result in either case is comparative, Mr. Chairman. This statement covered plums and peaches in both eleven- and six-quart baskets. Taking Winnipeg, the cost of carriage is the same, but instead of $1.20 the price was $1.35. So that the figures all through are practically the same.

Mr. SALES: Did you get the cost of production, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. HAMMELL: $476 per acre of strawberries.

By the Chairman:

Q. Is there anything else you wish to say to us, Mr. Fairbairn?—A. One of the outstanding needs of our district at the present time is fertilization.

By Mr. Hammell:

Q. Fertilizers are free now.—A. We are sadly in need of more barnyard manure, manure from stockyards, abattoirs, and that sore of thing. That are possibly two factors that are militating us: one is the increased freight rate, which is about $16 a car from Toronto to our points, from $16 to $20 a car increase over our 1914 or 1915 prices. Another thing is the restriction placed by municipalities against unloading cars at certain seasons of the year. They have us narrowed down now to about two or three months; the rest of the time we are prohibited from bringing in manure. That is becoming a very serious question. The freight rate is also a serious question. There is an increase of 2½ cents per 100 pounds in the freight rate on manure.

By Mr. Sales:

Q. What does Toronto do with in the summer time, when your municipalities will not allow you to unload it?—A. I do not know where it is going. They truck it out somewhere.

By the Chairman:

Q. They probably send it to municipalities with less sensitive olfactory nerves?—A. There are no municipalities along our line that are allowing to bring it in.

By Mr. Hammell:

Q. Have you ever shipped very much of your fruit into places like Hamilton and Toronto by motor truck?—A. The trucking business is increasing by leaps and bounds. Individual men with trucks are coming to the district from outlying points, filling their trucks and going off with the fruit and all that sort of thing.

Q. That cuts out a lot of handling, I suppose?—A. Yes, a tremendous amount. Trucks are coming from all points within 100 miles every day.

By Mr. Sales:

Q. Can they carry it for less than the railways?—A. Well, these men are jobbing it out. They are not carrying on a railway haulage basis, they are coming in and taking a truckload of peaches away to some point where a railway does not go, and selling it, or to small hamlets where the people are not being served.

APPENDIX No. 3

By Mr. Hammell:

Q. Shipping it in truckloads saves handling the fruit. It has to be taken to the loading point, put into a car, shipped to destination and unloaded on to a truck again?—A. Yes. I have not said anything about grapes, I have not said anything about raspberries, and I have not said much about cherries. Those constitute quite a share of our fruits.

Q. What about grapes for wine?—A. It looks very much to me, from what I have heard, that the price of grapes is going to diminish pretty quickly. We do not look with favour upon the reduction in this wine tariff.

Q. You do not favour a reduction in the wine tariff?—A. Not the reduction which has been brought about within the last few days, from 30 per cent down to 7½ per cent.

Q. Your worthy representative was preaching that in the House of Commons here.—A. I am glad he was. I am sure he would not miss the opportunity.

Q. But he was preaching the reduction.—A. Grapes at the present time are yielding a fair return per acre. During 1920 of course the prices were the highest on record. In 1921 they were still very good. This past year they were down to about one-half of what they were the last year. The cost of the production of grapes I have not got before me. The grape is one of the cheapest crops to produce, I think. If we were assured of present day prices, it would be one of the most reliable of the fruit crops to engage in, because from year to year it can be relied upon and depended upon for a fair return for the labour.

By the Chairman:

Q. What proportion of your grapes are sold raw; what proportion goes into the alcoholic wine, and what proportion goes into grape juice, do you know that?—A. I would say about 75 to 80 per cent are sold raw, with 10 per cent going into wine and 10 per cent going into grape juice, something in that proportion. Possibly Mr. Chaplin will have more information along that line.

Mr. CHAPLIN: I do not know myself, but I think the figures are astray. From what I hear from all sources, in our end of the county it is about fifty-fifty.

WITNESS: That is the only point where there is any pressing done.

Mr. CHAPLAIN: Fifty per cent goes into pressing.

WITNESS: That is the only point in the district where there is any pressing done.

Mr. CHAPLIN: You are getting into the pressing of grapes at Jordan.

WITNESS: It has just started.

Mr. CHAPLIN: There were 150,000 gallons pressed at Jordan last year.

WITNESS: The estimate I have given you was made by one of the grape men a year ago; he said they had not used ten per cent of the grapes for grape juice.

By Mr. Hammell:

Q. You have the exact figures available?—A. I have not got them here.

Q. They can be had?—A. I would imagine they can be had.

Mr. SALES: The thing that sticks out here is that there is no lack of ability to produce. The question is, how to get the produce to the man who wants to get it. It is eaten up on the way.

[Mr. J. D. Fairbairn.]

The CHAIRMAN: It is the cost of distribution which is one of the great problems.

Mr. SALES: And transportation.

The CHAIRMAN: Transportation is included in distribution.

Mr. SALES: That sticks out everywhere.

By Mr. Milne:

Q. You have no export market, I suppose?—A. Practically none.

By Mr. Sales:

Q. You could not export those soft fruits, anyway?—A. Perishable fruits?
Q. Yes.—A. No.

By the Chairman:

Q. If they had refrigerator compartments on the ships, you could?—A. If we had a lake service with refrigeration appliances, which could take our fruit from our local points down the lake and across the ocean, I do not see why we could not compete in the English markets with other fruits.

By Mr. Sales:

Q. Is it possible to ship these soft fruits, such as raspberries, strawberries and peaches?—A. Raspberries, I do not think so, unless in a frozen condition.

By the Chairman:

Q. To compete on the English market you would have to pick the strawberries with their hulls on?—A. Yes.

Q. Place them in powdered sugar and introduce them into the mouth singly, one by one, in the English manner, that would require a change in our picking customs, would it not?

Mr. SALES: We do not eat strawberries with the hulls.

The CHAIRMAN: They come to the table with the hulls and the stems on.

Hon. Mr. TOLMIE: I have seen strawberries eaten with the hulls on.

The CHAIRMAN: In England they eat them with the hulls and stems on. The custom is to take one strawberry and dip it in sugar.

By the Chairman:

Q. What else have you to give us, Mr. Fairbairn?—A. I think I have covered it pretty well, Mr. Chairman. The main points I wish to impress upon you are that the things we buy, that come down to us in the way of packages, barrels, boxes, machinery and all that are double the cost, and we have to bear that cost. We have to pay the sales tax on our baskets, boxes and barrels; it is charged up to us by the manufacturer in his bill. We cannot hand that on to the consumer in any way, shape or form, we have to absorb it. We have to absorb the increased taxes on our land, which are more than three times what they were in 1914. We have also to absorb the increased cost of labour. I say we have to absorb all these things, and yet our selling price of the various fruits I have given you is less, and has been during the past two years, than it was prior to 1914.

By Mr. Sales:

Q. How long can you continue that without going out of business?—A. One more year will about wipe out most of us.

Q. You will join the blue ruin brigade?—A. I might tell you, sir, that there are more taxes in arrear in our district this year than have ever been known before.

Q. All I can tell you is that you have had some very good advice; Mr. Fielding says to have faith in yourself and your country, Mr. Bradshaw says practically to produce more, and Sir Frederick Williams Taylor says to practice a little more economy. That is what I have to take back to my people in the West, and I guess it will have to apply to you.

The CHAIRMAN: Mr. Fairbairn, we are obliged to you for your attendance and for the information you have given to the Committee.

WITNESS: The taxes? All the taxes are greatly increased.

By Mr. Hammell:

Q. During the last three or four years, say since 1912?—A. I have the taxes here on a parcel of land adjoining my own, where the assessment has been constant—a 32-acre piece of land with just a barn on it, and there has been no change in the planting, and the owner is not living on the property.

Q. The assessment has stayed the same?—A. The same, exactly. Now, in 1911 the taxes on that property were $25.03.

Q. That was composed of the school rate?—A. The county rate of 3 mills, township rate of 6 mills, and school rate of $2\frac{1}{8}$ mills.

Q. That was in 1911?—A. Yes.

Q. Is there any debenture rate?—A. No, no debenture rate. I can give you an intermediate year, if you like, say 1916. The county rate was $7\frac{1}{4}$ mills, the township rate 6 mills, and the school rate $2\frac{1}{2}$ mills. The taxes that year were $34.42.

Q. 1919?—A. The county rate was $13\frac{1}{8}$ mills, the township rate 9 mills, and the school rate 3 mills. The taxes were $56.70.

By Mr. Sales:

Q. What size of a farm is that on?—A. 32 acres.

By Mr. Hammell:

Q. It is the mills that I want to get at.—A. In 1922 the county rate was 22 mills, township rate 8 mills, and the school rate 6 mills, and a special school rate.

Q. Debenture, I suppose?—A. Well, the rate is not given, but the figures were $9.56 in the particular assessment, making a total of $88.31.

Q. Your county rate has increased seven times since 1911?—A. Yes.

Q. How do you account for that?—A. Not being a member of the County Council—

Q. You should be interested in the County Council's doings, I think.—A. County roads have been an important factor in the increase.

Q. Who demanded these roads? Was it the people of the county?—A. I am not so sure that it is, because most of the people have been condemning the roads. The farmers generally cannot use them. They have been building a type of road that our horses cannot stand up on.

By the Chairman:

Q. What is that?—A. Tarvia.

Q. It is very slippery?—A. Yes, except for about two months of the year and the rest of the time we take the side roads in preference to it.

By Mr. Hammell:

Q. Your school rate has more than doubled in that same time?—A. Yes.

Q. And your township rate has increased 25 per cent?—A. Yes, about one-quarter.

Q. More than a quarter?—A. 6 to 8.

Q. It is not the Dominion Government that has caused the increase?—A. No, I cannot blame the Dominion Government, but as to the taxes on baskets, boxes and that sort of thing, I cannot pass that on. We have no escape from them as growers. It is impossible for us to pass on the cost of the package to the consumer. We must absorb the cost of the package, and naturally the tax is placed upon that package by the manufacturer. We get our bill for so many baskets, with whatever per cent it is charged on the bottom.

Q. Tell me, Mr. Fairbairn, do your growers use horses very extensively on the road?—A. Yes, sir.

By Mr. Sales:

Q. Do you not all own automobiles?—A. No, sir.

Q. What proportion?—A. Well, that would be a guess, if I were to give you the proportion. I would certainly say that the majority of our people deliver their stuff with horses—the big majority.

By the Chairman:

Q. You have to have horses to work in the orchards?—A. Yes.

By Mr. Sales:

Q. That does not say they do not own automobiles?—A. No, but I would not think, sir, that 50 per cent—not 40 per cent, would own automobiles.

Q. I was just wondering whether we had the same idea of you as you have of us. I am a western farmer. I know what the idea down here is of the western farmer, that he is extravagant and buys automobiles.

The CHAIRMAN: And spends his winters in California.

The WITNESS: There is an odd one or two of our people who do that.

By Mr. Sales:

Q. To what do you attribute your low prices?—A. We attribute the low price first of all to the buying power of the public generally.

Q. The lack of buying power.—The lack of ability to buy, the lack of funds. We attribute it also to a narrowing of our distribution, because of some of the inconsistencies that I have tried to point out with regard to rates, the high rates of transportation and that sort of thing, and some of the outlying points that we cannot reach because of no fruit tariff rate. If the buying power were re-established as it existed in 1918 and 1920 we could take care of our present high costs of production.

The CHAIRMAN: Gentlemen, if there are no further questions, I will excuse Mr. Fairbairn. I received a few days ago a memorandum from the British Columbia Fruit Growers, containing costs of production, and quite a long statement. It was accompanied by a certain number of printed reports, which I do not think we should reproduce, but with your permission, gentlemen, I will put it in so that it will go along with the records of Mr. Fairbairn as being along similar lines. I will pick out what I think should be published.

EXHIBIT No. 200 Printed as Appendix

Witness retired.

The Committee adjourned until 10.30 a.m. on Tuesday, May 15, 1923.

APPENDIX No. 3

HOUSE OF COMMONS,
COMMITTEE ROOM 268,
TUESDAY, May 15, 1923.

The Special Committe appointed to inquire into Agricultural conditions throughout Canada met at 10.30 a.m., the Chairman, Mr. A. R. McMaster, presiding.

HUNTLEY R. DRUMMOND, called, sworn and examined.

By the Chairman:

Q. What position do you occupy with the Canada Sugar Refinery?—A. I am the President.

Q. The people of this country have been somewhat disturbed at the high price of sugar which we have had for some weeks past, not only the housewives but people engaged in the canning and preserving industries, whose requirements of sugar are of course very extensive, and we have asked the assistance of the refiners this morning so that we might examine the situation together to see what it is due to, and to see whether anything can be done to help it out. I presume, sir, you are familiar with the situation, and you possibly can help us in our examination of the question?—A. I shall be very pleased to do so. Mr. Chairman and gentlemen, I am very glad to be here to-day to assist in this inquiry, because the subject is one which is very little understood by the public in general. It is a very intricate one; and probably for that reason most of the people are unable to grasp it. The aim and object of the sugar refiners is exactly the same as I understand the aim of this Committee to be, that is we no more like the high cost of sugar than anybody else does. It acts to our detriment. I intend to try, sir, to explain the situation; and I would like to say that in explaining it I personally feel that I have no apologies to offer, that I shall demonstrate to you I believe, that the refiners have nothing whatever to do with the high cost of sugar, and instead of feeling that we should apologize I claim, sir, a moderate pride in what the refiners have done. It is very suitable, sir, that this Committee should have the question of sugar before it, because the question of sugar is an agricultural one entirely, almost, and therefore this Committee with their knowledge of agriculture will be able to follow that line of thought, and I will show you, whatever the high cost of sugar may be doing to the consumer, and so on, it is enuring to the benefit of the producer of sugar, who is, if I may call him, a farmer. He is raising sugar instead of wheat, or he is raising sugar in two different forms. In the tropics he is raising sugar from sugar cane; in Canada and in other countries in the temperate zone he is raising it from beet root.

I make this statement to begin with; the price of sugar in this and other countries depends solely on the cost of the raw material.

Q. When you speak of sugar you mean refined sugar?—A. Yes sir. The refiner occupies a somewhat similar position to the miller. I perhaps may go into detail a little—

Q. Yes; it helps to lay the whole situation before us, and it will save time in the long run for you to put the whole thing before us.—A. I want perfectly frankly to put before the Committee everything I know. He occupies somewhat the same position of the grower that the miller does to the grower of his raw products, which is wheat. We take an article of food which is not in a fit

state of consumption and we refine it to the highest degree, and then resell it; and I may say incidentially that I claim that in Canada we produce a refined article which is second to none produced in any other country in the world. Our business is this briefly: we buy our raw sugar naturally as cheaply as possible; we have to freight it to the refinery, we pay the customs duty, the current rate of exchange, because sugar on this side is sold on the basis of New York funds, and therefore if there is a discount in Canada we pay the discount; and we convert the raw product into the refined article, and our share consists in adding to the cost of the sugar laid down the margin which we have which covers the expense of refining, and a very modest profit to the refiner, as I shall show you, and in some cases no profit at all.

Q. Your raw material, where does it come from?—A. Our raw material comes from the West Indies very largely, some from South America, but the sugar countries in the vicinity of this continent mostly.

Q. You get great quantities from Cuba?—A. We get sugar from Cuba; we get sugar from the British West Indies under the preferential rate of duty, we get sugar from South America, sometimes from Brazil, sometimes from Peru, sometimes from Java, and in the old days we used to even get beet sugar here from the other side.

Q. In comparison with your whole supply during the last year roughly what proportion would come from Cuba?—A. I have not got that exact statistic, but in speaking of the sugar industry Cuban raw sugar is taken as the standard on which other prices are based, and when I speak of the cost I speak of the cost in Cuba on which all other prices are practically based. To show you the smallness of the influence, to prove my statement, that the refiner can possibly have on the price of sugar—and I will give these in round figures, they may not be correct to a fraction of a cent—in round figures the cost of sugar in this country to the consumer is perhaps twelve or thirteen cents, something varying on what the retailer gets. The net difference between what his raw sugar costs the manufacturer and what he sells it for is in the vicinity of, varying at times, but somewhere in the vicinity of two cents; therefore what he can possibly influence is about one-sixth of the whole, that is to say, gentlemen, out of a dollar 16 cents is his possible sphere of influence; but out of this 16 cents at least eighty per cent is uncontrollable expenses, that is to say the expenses which he has to pay out for the work which he does; and he therefore only possibly controls 20 per cent of one-sixth, one-sixth being 16 cents on the dollar, and one-twentieth of that is only a fraction over three cents on every dollar that he has got any influence on. Even if he were to work without a profit he could only influence it to that extent. Our price is based absolutely on the cost of the raw product laid down at our works. Our price goes up and it goes down in accordance with what our raw product costs us, and with the making of that price we have nothing, and can have nothing whatever to do. That price is made irrespective of us by world conditions, and all we can do is to get the sugar at the cheapest point and to base our prices on what it costs us; in other words the refiner does not make prices, he follows them; he is not responsible for higher prices, it is the grower in the tropics or elsewhere who fixes the price; the refiner is not a producer of raw material, he merely converts in into an edible form, and as I have shown, his influence on prices is and must be negligible. Now, we were asked to explain the relationship between the sugar industry of this country and other countries. That is a somewhat broad question.

Q. You have been dealing with that to a certain extent already?—A. Yes, sir. It can only be done in a very sketchy way. But this may be said: sugar is grown all over the world. In the tropics it is produced from sugar cane; in

the temperate zone it is produced from beet root, and before the war the production from beet root was about the same as the production from cane, slightly larger, I believe; but owing to the war cane has gone ahead, and now the production is about two-thirds cane and one-third beet; but the beet sugar industry is getting on its feet, and the reason it is getting on its feet, and one of the main reasons is, that the price has gone up, and it is becoming profitable for the farmer to raise sugar. Now, the price of sugar is influenced all over the world nowadays owing to cheap freights, and so on, the price of sugar all over the world is more or less on a common basis. If there is a scarcity and a local rise in price anywhere, sugar flows in from all over and tends to reduce that price to one common level; that is speaking broadly.

Q. Speaking generally the world is one market for sugar?—A. The world nowadays is one market for sugar owing to the means of communication being so much more diffused than they used to be. Incidentally this is a matter in which Canada and in which the Canadian farmer is also interested, because we have, gentlemen, in Canada, in Ontario, a beet sugar industry which started from small beginnigs, and has grown to be a very important one, and many millions of pounds of sugar are annually made in Canada from beet root, and incidentally the price which is received by the farmer for his beet root, for the crop that he raises, is absolutely dependent on the price of sugar. Therefore from the Canadian beet root farmer's point of view as the price goes up it enures to his benefit; so that if we are all suffering from high prices there is one man at any rate that is coming out all right.

By Mr. Elliott:

Q. Just in connection with that last statement that you made, that the farmer is benefited by the price of sugar, in what way is the grower of beets last year benefited by the price of sugar at the present time, or in what way will he benefit during the coming season? -A. He will benefit because the price which he is paid per ton of beets is based on the price at which the sugar is sold in this country. I do not know the exact details; I am not in the business, but every cent advance in sugar means so much more a ton for his beet crop.

Q. But the trouble is that most of those men who grew beets last year have already got their cheques for that crop; do you mean to infer that the sugar refineries will come along and send them an additional cheque?—A. Well, you would have to ask—

By the Chairman:

Q. Speaking for your own refinery?—A. I could not answer that; you will have to ask the beet man that question; I do not know whether he does it or not, but I think he will be able to show you that on his crop with the high prices of sugar the beet grower expects to benefit, and will raise more beets; I think he will show you that.

By Mr. Hammell:

Q. Is it not a fact that these beet growers have already contracted a year ahead so much a ton for the beets?—A. I believe it is based on the price of sugar; as the price of sugar rises the price per ton increases of the grower; I think I am correct in that.

Then to come to another point, and showing further that the refiner is not responsible for the increase in price which has occurred this year; I will base this on the cost of Cuban raw sugar, 96 sugar delivered in New York, and in the period since January up to date the price of raw sugar has advanced from 3¼ cents to 6½ cents.

By the Chairman:

Q. What prices are you giving, the duty paid prices?—A. No, sir, C I F New York.

Q. Is there a duty on Cuban sugar into Canada?—A. Yes, $1.79 per hundred pounds.

Q. Why I ask that is because I have before me a memorandum prepared by the Bureau of Statistics giving me the price of raw sugar, 96 degrees Cuba, spot prices, duty paid in New York, and it ran from 2nd January $5.65 to the 12th May $8.28, and I presume the difference between your figures and mine is that you have not included the duty and the compiler of the figures included it?—A. I thought it would be clearer to take it cost and freight New York, because then we add our duty, which is different from the States, and it gives the price.

Q. I think your method is the better?—A. In any case, as you can see, the price has advanced 3¼ cents per pound, or $3.25 per hundred pounds.

Q. Before you go from that, what is your price on the 2nd January, have you got it there?—A. I have not got the 2nd January; I have the low point in January up to to-day.

Q. The low point in January was about the 19th or the 20th?—A. 3¼ I think is correct.

Q. That is the lowest price in January?—A. Yes.

Q. $3.25 per hundred?—A. Yes.

Q. And then are you taking the highest price in May?—A. The price I have taken at 6½ cents, you must understand gentlemen, that the price varies from day to day; I am giving what it is, it had gone up to $6.75 actually I believe—that was last month—but practically I am correct in saying it is 6½ cents or in that vicinity to-day. I have not received my telegram this morning as I do every day in the year which may note a difference of one-eighth or one-quarter cent since this statement was made up.

Q. Your latest figures, sir, show that between the lowest point in January to date there is a difference of $3.25 per 100 pounds, or in other words that the price has doubled.—A. The price is double, yes. Now in that same period the price to the retailer in Canada, the gross price that is—and I will show you it subject to a discount—has gone up from $8.05 per hundred to $11.10. That is the gross price to the retailer.

Q. Just state those figures again please?—A. $8.05 in January, to $11.10. And in giving these prices, Mr. Chairman, I want to explain that this was compiled before the budget was brought out, which reduced the duty on our raw sugar by 40 cents, which reduction in duty we immediately handed over to the public.

Q. Did it make the same reduction on the refined?—A. 50 cents on the refined and 40 cents on raw, incidentally pocketing the loss which accrued on all our stocks on hand. But we followed it promptly and yesterday morning we went down. Now that shows that the advance to the retailer here was $3.05, while the advance on the raw material was $3.25; but the comparison as regard the refiner, who is under examination, is different, because those two prices that I have given you, $8.05 and $11.10 are subject to a discount of 5 per cent, which is given to the wholesaler for selling sugar, and therefore we are giving a larger discount on the higher price as you can readily see, and that reduces the price which the refiner is receiving to the net price of $2.89 per 100 as compared with $3.25 which he is paying for his raw material.

Q. In other words his raw material has gone up $3.25 a hundred and he has advanced the price to the consumer $2.85?—A. $2.89, sir. And this even does not tell the whole of the tale, because—for a reason which I will explain

later, and which is very little known, so I would ask your attention to it—it takes 107 pounds of raw sugar to make 100 pounds of granulated. Therefore as you will readily see, as the price of raw sugar advances, the loss, as we call it in refining, also increases. That is, as you see sir, if raw sugar costs the refiner four cents, he loses 28; if it is eight cents, he loses 56 cents.

Now there is another loss which he pockets or which goes into his working expenses; an increase of approximately 25 cents more. So that the net position of the refiner, is better by $2.64 as compared with the position of the producer of the raw material, of $2.25. That is to say that the refiner is absorbing on this advance 61 per cent per hundred pounds, and that 61 cents enures to the benefit of the consumer in this country. Now, Mr. Chairman, that is the gist or the nub of the case and I want to know if I have made it plain.

Q. Your view is, Mr. Drummond, that you and the consuming public are all victims of circumstances over which we have no control?—A. Absolutely, sir, and in addition to that the refinery is actually suffering.

Q. And you are hit worse than we are?—A. Yes, because I eat a little sugar myself, sir, and I suffer that way, and in my business I suffer severely, very severely.

Your Commission is going into that a little later.

By Mr. Elliott:

Q. Just a question there, Mr. Drummond. When does the raw product of Cuba come on the market?—A. It starts to come on in December, and it reaches its height about March, April, and May, and it tapers off perhaps in September, say in the next year. The beet sugar begins in California and warm climates about August and goes on until perhaps the end of the year, so that the two sort of dovetail.

By Mr. Sales:

Q. How far ahead do you lay in your stocks?—A. That is one of our difficulties as compared with the New York refiner. Sugar is coming into New York practicaly every day. There the refiner buys his sugar and perhaps sells it at the same time. We buy our sugar a month, sometimes two months and possibly more, in advance of the time we sell it; and where it works against us naturally is on a falling market. It works for us in a rising market; against us in a falling market, because by the time the sugar has arrived the price has dropped; and the loss, I would like to emphasize that, which the refiner suffers on the falling market, is greater than the gain he makes on a rising market, because as you see, on the rising market in place of basing it exclusively on replacement, we are absorbing part of the rise; we cannot help it. And on a falling market, not only does the price fall, but the demand, for business reasons, absolutely goes to pieces. Assume that there is an article begins to fall in price; nobody wants to buy, and you have got to hold your stuff longer. That is one of the laws of trade.

By Mr. Elliott:

Q. Mr. Drummond, I do not know whether you explained it to the Committee before I came in but what different processes does this product go through from the time it leaves the grower until it reaches the refiner? Would you or the beet refiners consider the sugar beets as being their raw material? Would you call that their raw product? Is that what you refer to when you say that advanced, or is there another process between the grower and the refiner? —A. No, in the beet industry they produce it in one process from the beet to the sugar, the refined article. In the cane process, there is a preparatory stage

which is gone through in the tropics, and which produces an article that they call "96, crystals." That is our raw product and then we put it through a further process.

By the Chairman:

Q. What does "96" mean?—A. "96" means, sir, the test according to an instrument called the polariscope. The polariscope is an optical instrument which separates by a principle of light the rays of true sugar or crystallizable sugar from the rays of invert sugar or non-crystallizable sugar, and it shows you by the difference in the shade of the disc which you look at through a thing like a microscope, the different colours on different sides of the thing, and there is a scale which shows you how much crystallizable sugar there is in the product. They melt a certain fixed amount, and mix it in a certain proportion of water and find out how much crystallizable sugar there is. 96 means that there is 96 per cent of crystallizable sugar in the raw sugar, and that it also contains other products, which prevent, by any known means up to date, extracting the whole of that 96 pounds. It comes down so that you lose 7 pounds, sir, that is the general acceptation.

Q. Before you pass to another phase of the subject, Mr. Drummond, what was the price laid down in Montreal, to the refiner, freight and duty paid, when sugar was $3.25?—A. I have not got that with me, sir. I was so intent on preparing this statement to answer the question that I have not got those statistics with me. I would not like to give it without consulting my books. Some of the others may have it.

Now dealing with the reasons for the higher cost of sugar. This is a delicate subject, because you will understand, sir, and gentlemen, that if the cause of the high price is natural the more you talk about it the worse it is going to get. If it is artificial then the conditions are reversed. Now what I have to say on that is, that the cost of sugar varies like wheat or any other article in the world. When there is an abundance the price is low when there is a scarcity the price is high. Going back to the year 1920—

Q. Just before you go to that, I would like to see what common ground we have. It would seem to me that scarcity is not the only reason for advance in prices; that scarcity or the fear of scarcity might put up the price.—A. That is very apt. The fear of scarcity probably is just as influential and in fact worse, because it is hard to deal with. The fear of scarcity will put up the price.

Q. And although it is very hard to lead people astray when exact figures are known, it is possible to play on people's fears, and thus increase prices, is it not?—A. Yes, sir, it is possible.

Q. We will examine that phase of the question after a while.—A. My experience is that it is not necessary, that they do it for themselves. That is the people generally. They are apt to run away with mistaken ideas in my judgment. But in 1920, as I said, the price of sugar rose to a height that had never been known before. 22 or 24 cents, I forget the exact amount. And at the time no less an authority than Mr. Hoover made the public statement that sugar was going to be very expensive for the next several years to come. And, showing the danger of prophesying, within 18 months sugar was down to a cent and three-quarters per pound, away below the cost of production. So don't ask me to prophesy; but sugar went down after that. Why I mention that is that after that enormous height it went down below the cost of production and then it reacted. During last year the price of sugar was very low, the cost of production gradually rising through the year, and the reason was that there were enormous stocks of raw sugar left over from the previous year. There was a million and half tons of sugar carried over from the previous crop.

Q. What year was that?—A. That was the end of 1921. There was about a million and a half tons carried over which bore on the market in 1922. During the course of the year the low prices encouraged consumption to such an extent, and the world was so short of sugar, that the whole surplus was absorbed, and this year in place of having that surplus as compared with last year, our position to-day is that there is a very large deficit of sugar as compared with this same time last year.

By Mr. Sales:

Q. How do you reconcile your two statements, Mr. Drummond, that there were a million and a half tons carried over and yet the world was so short of sugar.—A. I did not mean to say the world was so short of sugar; I mean to say the general stocks of the world had got down to a low point and the demand for consumption had reached a very low point, owing to the tremendous high price. When sugar had got down to a level where people could afford to buy it, the demand rose sufficiently to absorb that amount.

Q. Where was the million and a half tons that was carried over?—A. It was in Cuba.

Q. And carried over as raw material?—A. Yes, in the shape of raw sugar.

By Mr. Munro:

Q. I think the wholesaler that was here the other day informed us that the demand for sugar had not dropped appreciably because of the rise in price? —A. At the present time.

Q. Yes.—A. Well, I would say that it is a fact, and we know it, that high prices check the consumption, and that is another reason why we don't like high prices; they check consumption; they must; and low prices must encourage consumption.

By the Chairman:

Q. As a matter of fact the consumption of sugar responds very quickly to variation in prices?—A. Yes, the consumption responds, although it does not respond the way it used to, because there was a time when people really economized. There are not a great many people economizing to-day unless they have to.

Q. You think the virtue of thrift is not as widespread as it used to be?—A. It is not perhaps so conspicuous.

Q. I think that is true, Mr. Drummond, but I will ask this question, to see how near we are together as we go along. Is it your thought that there is a real scarcity of sugar in the world?—A. Well, I think that if we say—not perhaps that anyone will listen to me—that there is a real scarcity of sugar in the world and it were believed, what would be the result? That is what makes me conservative in answering that question. What would be the result if people did believe it? The inevitable result would be a further rise in sugar.

Q. But must we not try to get at the facts? It seems to me that it is better to run that risk than to go on blindly, in the dark. That is my view. —A. Well then, sir, I will say this, that my conclusion is that the rise in price is natural, and not artificial, owing to the conditions as I know them.

By Mr. Robinson:

Q. Have you any figures to show the production in sugar? And to show that it has fallen off? It seems to me that we can get at that.—A. Yes sir, the crop last year—I give these figures from memory, but they are substantially correct—was just on four million tons. That is the Cuban crop. You can take that, Mr. Chairman, as a sort of standard. It is about four million tons

and it is at least ten per cent less this year. Those are estimates that I see. I do not know that personally.

Q. Are they based on official records?—A. Yes, but there are various estimators who actually give you different estimates. There is 3,700,000 and 3,600,000 and you have got to more or less judge for yourself what is correct.

Q. Do the Cuban authorities put anything out on this themselves?—A. There are a number of statistics given. There are two or three recognized authorities like Hinely and Gumameyer. He must be a Cuban, who produces estimates every year of the Cuban crop and the figures are based largely on them.

Q. What are they, exporters of raw sugar?—A. No sir, they are statisticians pure and simple. But they suffered this year from drought. The reason was they suffered from a drought in Cuba.

By Mr. Sales:

Q. Is this a crop that they can go in and out of? Is it an annual crop?—A. It is an annual crop, but if they grow sugar, so far as my knowledge goes, they could not change and grow wheat or anything else, they grow sugar year in and year out.

Q. And this year it is very low and they cannot get out of it at all, they have to grow it for next year—A. Yes, it is planted for next year.

Q. Describe it so that we can understand it. Suppose that sugar is high and that I am a Cuban farmer and think of going into sugar. When can I plant it?—A. I cannot answer that.

Q. Does the crop planted this spring bear fruit this year?—A. No, the canes go on, but I must throw myself on your mercy as to that; I am not a farmer and I do not know the exact history of the plant. Probably someone else will tell us. Some gentleman behind me says three years.

Mr. MUNRO: I think it continues on from year to year like raspberry bushes.

By Mr. Sales:

Q. When do you get your first crop?—A. I am told at the end of three years. The grower is a victim of circumstances. He is in the unfortunate position of most farmers, he has to grow it and trust that the price will be right. He cannot help himself on that.

Q. Is he in the same unfortunate position as the wheat grower, there is an exchange and manipulation of prices by those who do not grow or refine sugar but who speculate in it?—A. Yes, there is speculation in sugar.

Q. Where does that take place? A. It takes place all over the world. There is a Sugar Exchange in New York; one in London; and wherever sugar is handled, there is a market.

Q. There is speculation, even with the refiner?—A. The refiners unfortunately, sir, are necessarily speculators. If we could eliminate that risk I would be happy.

Q. Let me understand. You get your cable or your telegram from New York this morning. If the price was up half a cent a pound what would you do?—A. If we thought that was a genuine advance and not merely a temporary fictitious advance.

Q. How would you know the difference between a speculative advance and a genuine advance, when you receive a telegram that sugar is up half a cent?—A. I would judge from my general knowledge of conditions. If sugar advances we would advance our price, if it declined we would put down our price. That is the principle we follow.

Q. Therefore, if you buy two months ahead and sugar goes up three cents a pound, naturally you get smaller profits? —A. Yes, sir, and if it goes down three cents a pound we lose it.

Q. Are you like the general public, do you generally buy heavier when it is going up?—A. Yes, we are human, I expect we do.

Q. But you know? You do not have to guess at the method you are following, Mr. Drummond?—A. Well, I base my purchases naturally on my view of the market.

By the Chairman:

Q. And if you consider that the market is going up, you will buy to-day, because you may think that this time next week it may be very much higher?—A. Yes, that is inevitable. If I think it is going down, I will try to reduce my commitments, knowing that when sugar does go down not only will I have to take a lower price for my product, but I will get the dreg of the market, I will not be able to sell it.

By Mr. Sales:

Q. And you buy for future delivery? A. We buy to provide for our wants, and necessarily in advance.

Q. For future delivery?—A. Yes, but as short a time as we can get it in, handle it and refine it, and sell it to fill our demands.

Q. Can you sell that option again without really taking the sugar?—A. It is not an option; it is an actual purchase of the sugar.

Q. It is not like a wheat exchange?—A. No, we don't buy on the exchange at all; we buy direct from the grower or through an agent.

By the Chairman:

Q. In Cuba itself—A. Well, the Cubans have agents in New York and we buy there.

Q. Let me just ask you this question about the world's supply. Are you familiar with Willett & Grey's estimates of sugar?—A. Yes.

Q. Are they regarded as accurate?—A. Well, they are.

Q. As accurate as people are who are dealing with things which are more or less estimated?—A. Yes, they are well known.

Q. I take from the Weekly Statistical Sugar Trade Journal, of the issue of the 28th April, 1923, the following figures: —grand total cane and beet sugar, 18,212,839 long tons. I think sugar is all computed in long tons?—A. Yes, those are long tons.

Q. That is compared to last year's total crop, 17,699,659; compared with the year before, 1920-1921 of 16,748,601, an estimated increase in the world's production of this year over last year, of 513,182 long tons, or in round figures, half a million long tons more. Now, if those were correct, there would hardly be a shortage, would there?—A. Yes, but you have to go back to a good many years to find out what the consumption of the world was, say before or during the war. We are getting back and we are almost back to what the consumption was ten years ago, whereas undoubtedly the consumption must have increased in the last ten years. Now, could I go on?

Q. Yes.—A. Just a word in regard to our system, that personally we sell to the wholesaler at a price. He is supposed to turn over the sugar to the retailer, and we pay him a commission for that of 6 per cent on the gross. Te turns over the sugar to the retailer, and the retailer adds whatever he is able to, pretty much, to that, and sells it to the consumer.

By Mr. Sutherland:

Q. Do you only sell through the wholesaler?—A. No, sir, not only through the wholesaler, but our system of distribution is mainly through the wholesaler. We sell to the manufacturer. Our principle is this, that we will sell to anybody who comes in with the cash and whose credit is good for a car of sugar. That is our principle. As a matter of fact, it works out that the wholesaler buys the domestic sugar, and also the various others, like the departmental stores and so on.

Q. When you sell to a retailer in carload lots, is the freight prepaid, or do you charge up the freights?—A. We have a price fixed, based on this system of equalized rates all over the country, the net result of which is that we absorb a certain amount of the freight; that is, we sell sugar in other points than Montreal at a lesser price than the Montreal price, plus the freight. We absorb some of the freight.

Q. So that there really is no competition among the refiners in regard to the location of these refiners. For instance, a sugar refinery in Western Ontario —the rates are the same, though the shipment came from Montreal for points in Ontario. Equalized rates prevail all over the province?—A. Equalized rates prevail and each refiner pays the freight, whatever it may be.

Q. What are those rates based on. How do you arrive at the rates which prevail and are in effect among all the refiners and the wholesale houses?—A. The equalized rate system is the child of the wholesaler.

Q. Of the wholesaler?—A. Of the wholesaler.

Q. Which you observe?—A. Yes.

Q. Now, I have some rates here which you charge. For instance, the rate to Toronto is 34 cents per hundred pounds, is that not correct?—A. The rate which we charge?

Q. To Toronto, to be prepaid.—A. I think it is 28 cents.

Q. That would be with a reduction given, or a discount?—A. No. I think our rate is 28 cents, but I am not so familiar with that part of it.

Q. You have not those rates with you?—A. No, I have not.

Q. The rates to Oshawa, I believe are 19 cents per hundred pounds, more than they are to Toronto. Shipping from Montreal to Oshawa you would charge 19 cents per hundred pounds more than you would if you sent it to Toronto?—A. Well, I have not the rates before me, and I could not answer that specific question, but I can say this, that the net result to the refiner is that he pays part of the freight. He absorbs part of the freight.

Q. Why this discrimination in certain sections of the country? For instance, shipping from Chatham to London the rate would be 43 cents, and shipping from Montreal to London it would be 43 cents. There must be some understanding among the refiners in regard to this matter, and I would like to know what the rates are based on. For instance, you ship to Brantford at 42 cents per hundred pounds and to London at 43 cents per hundred pounds and all the intervening points between are from 62 to 68 cents, or a difference of 20 cents per hundred pounds more; 62 cents per hundred pounds to Woodstock and 43 cents per hundred pounds to London?—A. I cannot answer your question by the book, because I have not got the figures, but I can re-iterate my statement that the refiner absorbs part of the freight. I would say this, that this equalized rate system was investigated and a report was made, which I hold in my hand, by a Mr. O'Connor of Ottawa, who was the Cost of Living Commissioner, and it was published in 1917, and his conclusion, after a study of this rate system, which is very intricate and very involved, was this. He says, "we strongly reached the conclusion that notwithstanding, the system of sale and the system

of distribution, have been and are fair and indeed beneficial in their operations to the public." That is the report of an expert who spent a month in investigating this system.

Q. With all due respect to Mr. O'Connor's opinion, there is a difference of 20 cents per hundred pounds between those two intervening points, Brantford and London, of which I have spoken, and people can go to either one or the other and purchase sugar and come back to these intervening points and have a profit of about 20 cents per hundred pounds on the sugar.—A. They could go to these, but they would have to freight it to these intervening points.

Q. Why would not they give these intervening points the same rate that they give for the greater destination. Woodstock, for instance, is the county town of the County I come from. The rate is 62 cents per hundred pounds.—A. I am not an expert on this thing. I believe, as a matter of fact, that there are two or three people who exactly understand the operation of this system, and the general results of it, I believe, with Mr. O'Connor, are beneficial to the public, but as to the details, that does not come within my duties and I cannot give you an answer to that.

But I an give you an answer to this, which affects my answer, that I know we pay part of the freight.

Q. You are a large dealer in sugar, and a manufacturer. Surely you understand something of the basis upon which these rates are fixed. You will not sell to the retailer only with the price prepaid.—A. Yes, but you will understand that I am in a large organization. My duties consist of certain things, and I am not familiar with this.

Q. But there is no competition—

Mr. HAMMELL: This is not relevant to the question at all. The Honourable Member was absent from the Committee for two or three days when the whole question was gone into, and it has satisfied the rest of the Committee. If the gentleman would read the reports, he would get his information. We are holding up this investigation, and covering up our reports with repeated evidence.

The CHAIRMAN: I think Mr. Sutherland is very much interested in this question. We have had grocers. Mr. Pyke gave us his view of the matter. It is not a very clear one. One of the largest refiners in the country, does not say in so many words, but for instance, it is something like the things about religion: it is a great mystery. I would like to understand why between two different points the price should be different than at either end of the district, and although we have gone into it with Mr. Pyke, I would not like to rule the questions out of order. I presume Mr. Sutherland will bring his questions to a close shortly, and I do not want to interfere.

Mr. SUTHERLAND: If you are satisfied with the explanation which has been given, I am quite satisfied not to ask any further questions on the matter, if the matter has been cleared up to your satisfaction.

The CHAIRMAN: I would not like to say I was entirely satisfied, but the explanation, as I understand it, given by Mr. Pyke, was this: that there were certain shipping points to which carload lots would, according to the ordinary custom, be sent, and that the rates at points which were not what might be called carload lot points was based on the rate to the nearest carload point, plus the local freight rate from the carload point to the place in question. That, as I recollect it, was the explanation given by Mr. Pyke. He did not clear the thing up entirely with me, but that was the explanation, if I recollect, that was given. I do not know whether we should perhaps spend much time on it, but one or two more questions I would be glad to permit.

By Mr. Sutherland:

Q. Notwithstanding the statement made by the member for Muskoka, I have read the proceedings before the Committee as much as I could, and those points which are in the non-competiting points, are not for broken lots, but for carload lots, and why these people should be discriminated against is a matter I would like to find out, from one of the largest dealers in the country.

The CHAIRMAN: I think that is a matter of distribution, which is really in the hands of the wholesalers, and that he does not thoroughly understand it himself.

The WITNESS: Your explanation was very clear as to the principle. I think that is the principle as to the equalized rate system, and on the whole I have accepted it—it came down to us, being in vogue for a great many years, and I do not know this, that we had been discriminated knowingly against in one case. The system works out that we pay part of the cost. We pay part of this cost of distribution.

By Mr. Sutherland:

Q. And the people between those intervening points pay the difference where the rates are higher?—A. Well, the equalized rate system, I believe, is in no case greater than the freight, the through freight. I think I am correct in that.

Q. But there is no competition among the refiners as to location, as to preference given to any one, whether you are convenient to a refinery or not. The same rates prevail all over?—A. No, sir, because in Montreal the rate is the flat price, $11.10. It is the flat price in Montreal. In Toronto it would be 28 cents more.

Mr. GARDINER: I submit that if Mr. Sutherland desires to cross-question this witness, he should be given the opportunity to do so. I cannot see why there should be the discrimination as outlined by Mr. Sutherland, and it is the duty of the Committee to go into the real reason.

The CHAIRMAN: The only suggestion is that Mr. Drummond has told us very frankly he does not understand the system himself, and I doubt whether we will get anything more out of him, because I have no doubt that when he says that, it is true.

Mr. SUTHERLAND: Probably he could tell where we could get the information.

By Hon. Mr. Tolmie:

Q. Have you any gentlemen among the refiners who could throw light on this question?—A. I would say that this being a grocer's system, I should say that the proper person to throw light on it was the representative of the grocers, whom I understand has already been before you gentlemen. That would be my idea.

By the Chairman:

Q. I am quite sure you would be willing to give us any information you have?—A. I am ready to give you anything, but I do not want to pose about a thing I do not know anything about.

Q. If you care to sit down, you may sit down. It would be more comfortable. —A. Thank you very much. When I have finished my statement, I will.

APPENDIX No. 3

By Mr. Gardiner:

Q. Do you infer by your answer that you would allow the wholesale grocers to dictate to you the policy as to the distribution of sugar?—A. Well, I would not say there was any dictation about it.

Q. What is it then?—A. I would not say there was any dictation. It was made by them and accepted originally many many years ago by us, as the fairest system that we could evolve for the distribution of sugar.

Q. Can you substantiate really that it is a fair system whereby all intervening points have to pay a higher rate for sugar that does not have to travel so far. Can you really claim that it is a fair system?—A. You have to have some sort of a system. You either have to have this system; that would be price in your home town, plus the actual price to any one point. That is one system. Another system, which is used by some manufacturers, is to make one price all over the whole country, so that anybody in any part of the country can buy at the same price. The third is the equalized rate system. Against every one of these comes the possibility of the accusation of discrimination. If you make one price over the whole country, why should the man starting from Montreal pay as much as the man in Toronto or Winnipeg and so on? He, of course, endeavoured to reach the most equitable system. That was his idea, to make it one all over.

Q. This equalization system which you have in effect at the present time is a system which does not equalize costs, where people at intervening points pay more than at points far away. That is not equalization—A. I would not admit that that was the case without absolute proof of it.

By Mr. Sutherland:

Q. By way of illustration: there is a sugar refinery in Chatham; a retailer in Hamilton orders a carload of sugar and the rate charged is 35 cents per hundred pounds, which he has to pay the refiner when sugar is shipped to him. A dealer in Dundas, which is five miles closer to London, is charged 56 cents per hundred pounds, or 21 cents more; if it were shipped a little farther, to Hamilton in a carload lot and prepaid, why should that system prevail?—A. Actually the freight rates work in that very same way. I used to be in the coal business. It used to cost us $1.69 to bring coal from the Maritime Provinces to Montreal. Years ago, I am not sure as to the cent, but it used to cost us $2.32 to take it to Riviere du Loup, and I certainly never understood it, but it was a fact, I can assure you of that.

Q. We are to understand that the refiners accept the rate which has been fixed by the wholesale sugar dealers. Is that a fair assumption, that this equalized rate has been fixed by the wholesale grocers and you accept those rates?—A. We agreed to—

Q. You agreed with them?—A. Yes, but I might say it is very many years ago; going on for I think thirty or forty years at least.

By the Chairman:

Q. Might I just make this suggestion, that I can see the unfairness in this, but I think if there is an unfairness it is an unfairness which those who established the freight rates are more responsible for even than the grocers and refiners. I have never been able to understand on what basis freight rates are based. They are a great mystery too.—A. Inscrutable, sir.

Q. Go ahead with your statement. I will allow you to finish and then we will ask you some questions.—A. Now, I would come to another point, and I would like to read this, because I think you will agree it is necessary: "No survey of the sugar industry of Canada would be complete without a review of

the situation in which the refining interests were placed through the operations of the Government, through the Board of Commerce, in the year 1920." At that time the Government took complete control of the sugar industry through the agency of the Board, and the result of it was the refiners were involved in enormous losses. In 1920, sugar raised from 11¼ cents in January, to 22½ cents in May, the same month we are in. The Board of Commerce refused to allow the refiners to sell their product on the basis of replacement cost of their raw material, which is the only sound business principle, and our experience of that experiment, which was tried out by the Government, proves the truth of this. We pointed out to the Board that unless we were permitted to establish reserves to meet the inevitable losses that would follow a decline in price that we would meet with distaster. While admitting the soundness of our contention, the Board refused our request, but they gave us an undertaking that they would protect us on a falling market, which was inevitably coming, to the same extent that they had protected the consumer on the rising market. They failed to implement their promise, and the Government failed to make them implement it, and the refiners were left to meet the falling prices which occurred towards the end of the year and brought down prices to 7¾ cents by the 1st of December. In England the Sugar Commission also—what they called the Sugar Commission handled the whole of the sugar interests in that country, and when they wound up they lost millions of pounds, instead of putting it on the refiners. Now at that time, gentlemen, we stated to the Government that our loss, if we had to sell at a certain price, would amount to nine and one half million dollars. If we had to sell at a further reduction, it would amount to 19 million dollars. Now I want to tell you gentlemen that we were too conservative in those figures. The loss was even greater than the higher of those two figures, so that the industry, through no fault of its own, in the year 1920, under Government control, was saddled with a loss from which it is doubtful if it will ever recover. In this connection I want to say that it is generally supposed—this is one of the most popular conceptions of it—that refining is an extraordinary lucrative business. Now, an investigation was made at that time covering the years 1913 to 1919. An average taken of the net profit of the refiners over that period, which you will realize, sir, covered the period of the war, when abnormal profits were quite the rule, and it was found that the average profit of the refiner was just one-fifth of a cent per pound over that term of years. One-fifth of one cent per pound. Nothing but a very large turnover enabled the refiners to make any profits whatever. This figure of one-fifth of one cent is borne out by this same report by Mr. O'Connor in 1917, in which he found the average profit—he has it here—was 21 cents per hundred pounds, just on a one-fifth of a cent per pound. He says, "of the six refining companies in that year, two failed to show a profit, and one made a large loss." This is an extraordinarily interesting report of Mr. O'Connor's, and has a bearing on my statement in regard to the cost, the responsibility for prices. Here is what Mr. O'Connor said: "as I have said, refiners are dominated always by the raw sugar market. Whether that comes up or down, they follow it." The Cuban crop of raw cane sugar, controls the crop in Canada. What we have said for the responsibility of the higher prices was laid at the door of the grower, and this report bears us out. The advance of the raw market was $3.25; the advance of the refiners of Canada was 61 cents less, which the consumer of Canada got. It is much better for us to deal with the low market than the high market. Our loss is less. It takes one-half the money to finance the operations as you can readily see, and I tell you gentlemen that since 1920 finance has been a serious consideration of the refiners of this country. I trust I am not tedious, Mr. Chairman. I want to deal briefly with this statement.

APPENDIX No. 3

This statement was compiled before the budget was brought down on Friday by the Minister of Finance, and I would be pleased to deal with it, because it is extremely interesting to us, at least. The net results of that budget very briefly put are these; the duty on refined sugar, non-preferential was reduced from $2.39 to $1.89 per hundred, that is 50 cents reduction. The duty on raw sugar, non preferential, was reduced from $1.69 to $1.29, that is 40 cents reduction. The apparent protection of the refiner was reduced from 70 cents to 60 cents, that is 10 cents, and I say apparent protection, because owing to the fact you have to buy 107 pounds of raw to make 100 pounds of refined your real protection is not as big as it appears; you have to pay that extra 7 per cent duty. On preferential sugar the figures were, refined $1.79 to $1.09, 70 cents reduction on refined. Raw sugar 85 to 45, 40 cents reduction, an apparent protection reduction from 94 cents to 64, 30 cents per hundred, and in addition the dumping clause was taken away when sugar rose above a price of 8 cents per pound. With your permission I would like to say a word on that, because it is of vital importance to the refining industry, and so vital that I hesitate to put into words what I think the result of it may be. The dumping clause very briefly is this; it states that when an article of a kind made in Canada is imported into Canada at less than the fair market value of the article when sold for home consumption in the country whence exported, that an additional duty not to exceed 15 per cent ad valorem should be levied. This clause was designed to prevent unfair competition through the sale of products from abroad at less than their home value, and it is of special importance in an article in which the price varies so rapidly and so violently as sugar, for this reason, that as you can understand very readily with sugar rising from January to May in this year by $3\frac{1}{4}$ cents a pound, there are opportunities for operators to buy large quantities of sugar, a lucky operator I will put it, to buy a large quantity of sugar and to hold it up till the price has perhaps gone up one cent a pound, and then, as happens in the speculative market, when the market hesitates and shows signs of perhaps going back, he has the opportunity with the dumping clause eliminated, of dumping this sugar into Canada at a price below what the Canadian refiner can then buy his raw product and make it into refined.

By Mr. McMaster:

Q. Who is the lucky operator you speak of? Is he a refiner or a speculator in sugar?—A. I would say a speculator in sugar, but I was going to answer that his name was legion on a rising market. If the price of sugar were on a stable basis this would not be so important, but as everybody knows there is a rising market there is always speculation, and it is on a rising market that this is especially dangerous.

By Mr. Elliott:

Q. Do these speculators not tend to increase the market, to make the price increase?—A. I should say they do, sir.

Q. If they were eliminated, if those fellows were cut out, what effect would that have on the ultimate price?—A. I do not know, it would depend—I would say this—more on the basic conditions of the industry. I have no use for the speculator, but there he is. At this very day, sir, we are in the position that sugar in the hands of the speculator can be imported into Canada and might be imported into Canada and sold at a price that might put us out of business.

By Mr. McMurray:

Q. Do these speculators ever attempt to corner the sugar market?—A. No sir, I don't think you could corner it, because it is too big.

Q. You see no evidences of attempting corners of the market?—A. I do not think it could be cornered. Mr. McMaster gave us statistics to show eighteen million tons of sugar; well, sugar at 6½ cents a pound, that is $150 a ton—

Q. Still he would not have to buy all that sugar to corner the market, a pretty small percentage of it would corner the market?—A. I do not know much about it, but I would not think it could be done. There are corners of course, local and small ones, but I would not imagine it could be done. I am very nearly through, but with your permission I would like to just repeat the points which I have endeavoured to make to you. Firstly, I think I have demonstrated it is in the interests of the refiners to have cheap and not dear sugar.

Secondly, the price of sugar is based solely on the cost of the raw material over which the refiner in this country has no control whatever.

Thirdly, the margin or the difference between the price that the refiner pays for his raw product and the price at which he sells is to-day less than one-fifth of the whole, and of this one-fifth only a very small proportion is under the control of the refiner, because the large proportion of it goes in actual expenses.

Fourthly, although the cost of raw sugar has risen since January by $3.25 per hundred, in that time the increase of the refiner has been 61 cents less per hundred than the increase enjoyed by the grower and that difference has been assumed to the benefit of the consumer in Canada.

Fifthly, I venture this opinion, that the rise in sugar is natural and not artificial. I give that merely as an opinion for what it is worth.

Q. Is the grower getting a higher price per bushel?—A. Yes.

By Mr. Sales:

Q. The big season is from December to May, would not most of that sugar be out of the hands of the grower by this time?—A. Oh no, sold right along; I say the big season, the height of the season is the point where it reaches a height and gradually tapers off. It goes on from November right up to the next August or September I would say, I am not just sure.

Q. There are some months in which there is a very big move?—A. The move depends more on the consumption, yes, but the months of the largest consumption of sugar are in the summer when preserving and so forth is on.

Q. I am talking of the months of largest delivery by the grower?—A. He would not deliver it unless he had sold it.

Q. Is he fixed financially so that he can own his crop?—A. I could not answer that question. But I know it is a fact that the large month of consumption is in the summer, and that is when the largest amounts are sold.

Q. I want to get to the point of the man who grows the sugar, and when he parts with it?—A. He parts with when there is a purchaser, and the purchaser is there in larger quantity in the summer than any other time; that is what I would think would be the natural answer.

Then in 1920 under government control the refining industry suffered a staggering loss, and through no fault of its own, and under circumstances that I consider, gentlemen, entitle us to the sympathy and not the condemnation of every fair minded man such as I think this committee consists of.

Q. To go back to that point as to the producer selling the crop, do you stock up very largely in your refinery?—A. No sir, our stocking would depend on what it was costing us to lay the stuff down, and what we thought the market was going to be.

Q. That is not any answer. My question was do you stock up very largely at any time; never mind the circumstances?—A. At some times to a larger extent than others, yes.

Q. To a very large extent?—A. Approximately—

Q. To what extent?—A. I could not say.

Q. Two or three months ahead?—A. Oh, no, I should think if we had a month's supply—well, it might run over a month, because we are also dependent on this, we are dependent on selling our sugar, so if we had a considerable stock or even a medium stock and we were unable to sell our sugar, the sugar would then pile up in our warehouses, and it sometimes does pile up to a large extent.

Q. But you do anticipate your requirements by buying large quantities of raw material?—A. We use our judgment on that, and if we did not the profit in refining does not admit of making many mistakes.

Q. So that you have to make a little by speculation?—A. Well, I don't like to be put down as a speculator, but we have to buy when we think the market is good; like everybody else in the world, a lot of business consists in that.

Q. The point I am trying to get at is this advance is not going back to the real producer of sugar, because if he is like the grower of wheat his deliveries are very heavy in two or three months. People eat bread all the year round, but the farmer markets his wheat in about three months; now, I am wondering if the producer of sugar is in the same boat?—A. I would say not as compared to that, because his crop goes over eight or nine months, and there is a period of heavy consumption, that would be the difference, there is a period of heavy consumption of his products, which is in the summer months towards the end of his crop.

Q. What is his harvest?—A. It goes over—

The CHAIRMAN: December to June, six months?—A. Later than that, sir.

Q. I am taking this from the Willett & Gray's estimate of it, which says from December to June?—A. It actually runs over that. I am nearly finished. I was alluding to the loss that we suffered under government control, and this loss was sustained through the theory that prices should not be based on the cost of replacement of goods.

Ninth, I think I have demonstrated, instead of being an unduly profitable business the net gain of the refiners is very small over a period of years, amounting as I have said, to only one-fifth of a cent per pound. I have only one thing to say in conclusion, and that is that I am even sorry that this investigation did not take place earlier, and that we were not called to give you the facts so that you would have been familiar with them, and some echoes of them might even have reached the Minister of Finance before we received the treatment we did, because it is an extremely serious thing for us. I would like to impress that on the committee, in as far as it lies in my power, that we have received a very very staggering blow in this budget, and investigation may not interest us very much longer if it is carried out as it is proposed now.

By the Chairman:

Q. I hope you are not adumbrating that it will be a post mortem rather than an ante mortem ceremony?—A. We are not dead yet, but we are not very well.

By Mr. Gardiner:

Q. The witness made a statement with regard to financing, that that was a serious consideration during the last two or three years; will the witness give

us some information with regard to how it is a serious question; can you not get proper financial accommodation?

By the Chairman:

Q. He is a Director of the Bank of Montreal, he should be able to tell you.—A. Yes, but you cannot get financial accommodation without paying for it.

By Mr. Gardiner:

Q. Does that mean to say that you are paying too high for the accommodation—A. No, I don't think we are paying too high, but it is a heavy item.

Q. How is it a serious consideration if you can get sufficient money at a reasonable rate of interest?—A. Because it amounts to a very serious amount in the case of a company.

Q. I presume the consumer would eventually pay for that accommodation? —A. If he does not, sir, we will be out of business, naturally.

Q. How is it a serious consideration—I took it from your remarks you were having difficulties in financing?—A. We certainly do have difficulties in providing, especially when prices go up, and when sugar is $200 a ton instead of $100 a ton, necessarily our financing is on a more serious basis, because it will need exactly double the amount of money.

Q. Have you any difficulty in getting it?—A. We have great difficulty in getting it, and we have to give every security as far—

By Mr. Sales:

Q. What bank do you do your business with?—A. Since 1854 with the Bank of Montreal; we have been in existence since 1854, sixty-nine years.

Q. You will be in business for sixty-nine years more?—A. I am afraid I won't.

By the Chairman:

Q. Just let us go back to this question as to whether there is a real shortage or not; you incline to the opinion that there is a real shortage; I have brought before you Willet and Grey's estimate which shows the estimated increase in the world's production of this year over last year is just about half a million long tons, and I have also in my hand a memorandum which is issued I think week by week by the Bureau of Agricultural Economics of the United States Department of Agriculture, Washington, called Foreign Crops and Markets, which practically agrees. I won't bother the Committee with the details, but it practically agrees within a very few thousand tons, with the estimate of Willet and Grey, and I would say from the little investigation that I have made that the scarcity of the world's supply was by no means definitely ascertained. I know that there are different estimates made, some larger and some smaller, but from all I can learn it would look as if the world's supply was not less than last year?—A. Mr. Chairman, you have to take the position as it exists to-day; what is the supply of sugar available from now on to the time that we will get to the new crop, or for the balance of the year? And those figures as nearly as I can possibly get at them show, as compared with last year on this continent at least, they show a tremendous shrinkage from last year.

By Mr. Sales:

Q. What do you mean by available?—A. I mean to say the stock on hand, and the balance of the production that has still to come out. You see the crop is not finished, there is so much, the crop is estimated at three million six, or something like that, there has been produced so much out of that crop already, therefore so much more to come out; there is also a stock in Cuba of so many

hundreds of thousands of tons, and taken together those represent the available supply for the balance of the season. At this date you see the Chairman is telling of the whole crops of the world as they appeared say on January 1st, but we have proceeded so far, and we have produced so much and consumed so much, and the available supply that is left is what determines the price.

Q. Have you any figures available showing the stocks in refineries?—A. I do not think so, no, sir.

By the Chairman:

Q. Mr. Drummond, I have before me a clipping from the New York Evening Post, entitled:—"Concerning the production of Sugar in Cuba, April 10th," which reads as follows:

> "Cuban sugar crop, Federal refining"—that is the Federal Sugar Refining Company—"says output to date ahead of last year. Cuba's sugar production to date of the present crop is more than three-quarters of a million tons ahead of that at the corresponding time last year, reports the Federal Sugar Refining Company in its review of the industry. Up to March 31st, according to cable advices from Federal representatives on the Island, production this year totals 2,755,785 tons. Last year at the corresponding date the total was 1,986,956 tons. A difference in favour of this year's crop of 768,829 tons. In connection with the Cuban Department of Agriculture's estimates of an outturn of 3,500,000 tons Federal points out that this means that from April 1st Cuba will have to produce only 744,215 tons. Last year during the same period 2,900,233 tons were produced; while to reach the Federal estimate only 1,347,072 tons would have to be produced."

Now of course I am dealing with a subject about which personally I know nothing, Mr. Drummond, but if that estimate of the Federal Sugar Refining Company is correct, the Cuban crop is not going to be smaller this year than it was last year. And the estimates given by the American Bureau of Agriculture, Economics, and by Willett & Grey's estimates are apparently right.—A. Well, Mr. Chairman, those figures really answer the question, and show what I mean by taking the present position. Last year, if I get you rightly, up to date there had been produced two million?

Q. 2,755,000, that is this year's production, but last year at a corresponding date the total was only 1,986,956; a difference in favour of this year's crop of in round figures, three quarters of a million?—A. Yes, sir, but look at it in this way; last year the total crop was 3,996,000 tons.

Q. That is Willett & Grey's estimate.—A. And out of that, at this date last year 1,986,000 tons had been produced, leaving yet to come out the difference between those two figures, that is, 2,100,000 tons. Now this year the total estimate that you gave of the crop was 3,500 000 tons. Production to date 2,755,000 tons. Leaving yet to be produced 744,000 tons as compared with 2,100,000 tons last year.

Q. I think we are getting at cross purposes, Mr. Drummond. The gist of this article which I will pass you after you have finished your examination, so that you can correct me if I have taken a wrong meaning, is that the American authorities, their Government authorities, estimate the crop in round figures at 4,000,000, for the Cuban crop. The Willett & Grey estimate is 4,000,000 about?—A. Well, sir, that has been reduced by those parties since then to between three million five and three million six or so. The estimates have been reduced by all these parties to between $3\frac{1}{2}$ and $3\frac{3}{4}$ millions. They have been reduced to that.

Q. Perhaps you will be able to put those before us, because on the latest figures I have been able to get I do not see any such reduction. There have been estimates made but you can check that. Now turning from the Cuban supply, is there any substantial difference from the latest figures you have got to what Willett & Grey gives in round figures of 18,213,000 tons? That is their estimate on the 26th April, 1923. Have you any later figures than that?—A. Those are the estimates made up at the beginning of the season and they reprint them throughout the year, every second or third number I think.

By Mr. Caldwell:

Q. Without any revision?—A Well if the Cuban crop is down there at four million, Mr. Chairman?

By the Chairman:

Q. The Cuban crop is down at four million.—A. Well, the estimate of the Cuban crop has been reduced to three million six or three million seven or three million five since that date. 500,000 tons would be about three per cent and the bulk of that is in the Cuban crop.

Q. Now turning to the situation in Canada when the sharp upward movement began. When was that, do you remember?—A. It began in January. It sagged off a little in the beginning of January until it reached the low point, and practically since then it has been going up with revulsions every now and then.

Q. I have heard it stated, and you will correct me if I am wrong, that there was a report issued by the Department of Commerce in the United States on or about the 12th February 1923 which had some influence in pushing up the price?—A. Yes, they put their foot in it certainly.

Q. Now can you tell me what stores of raw sugar the Canadian refiners had at that time?—A. I could not do that. I do not know what the others had. My statement, Mr. Chairman, is my own statement; it is not prepared in collaboration with anyone. I made out my own statement.

Q. As I understand it the refiners supply the Dominion Bureau with figures of the supply on hand, the imports and exports, and I find on reference to the figures of the Department of Dominion Statistics the refiners had of raw sugar, on hand at that date, almost exactly 40 millions of pounds, and that they had on the same date of the preceding year 25½ million pounds. I suppose we can take those figures as correct?—A. I would imagine so, sir. That is 40 millions of pounds, about 20,000 tons. It is a small stock.

Q. And a still smaller stock on the same date in the previous year, only 12. How much did you have of that and how long would it have kept you running? —A. I cannot answer that, but we could melt that 20,000 tons in a month and a half I suppose.

Q. Is that a small stock?—A. Very small yes sir, because you have to operate your refinery; you have to have sugar coming in all the time in order to keep going. It is a continuous operation; we never stop except on Sunday.

Q. Do you regard one and a half month's supply as a small stock?—A. For myself, no. But for the whole of the refiners, there are six refiners and they would melt that in a week.

Q. Do you remember what you had yourself on hand at that time?—A. I couldn't tell you offhand, but I would regard having a week's supply as being in a very dangerous position, if we had just a week's supply.

Q. For how long do you generally have a supply?—A. Well, the art of it consists of getting in fresh raw sugar, as you turn out the other all the time, and the nearer you can get to that, the less cost you have, because raw sugar is expensive stuff to hold, so that we are between two fires; we cannot have too

much, because it is too expensive, and we cannot have too little, because that means that we won't be able to operate.

Q. What do you calculate to have on hand, what do you aim for?—A. That is dependent on the security of the communications. If we can be sure that we have other sugar travelling to us, two or three weeks' supply we would consider safe. We would have to have other sugars travelling from Cuba, Barbados, or Demerara, or wherever it might be, so that we could count on their arriving at a certain time.

Q. What do you try to keep in the warehouse for your needs?—A. We would keep from 5 to 6 thousand tons or up to 10 or 12 thousand tons.

Q. From 5 to 12 thousand tons?—A. Yes.

Q. And that would last you how long?—A. 10,000 tons would last us about three weeks.

Q. The refiners began in the year 1922 with a very large carry-over from the year before did they not?—A. Yes sir, because of this fact; the sugar that we bought at high prices when the price fell down our sales dropped off to practically nothing. I have not the figures, except in my head, but for four months towards the end of 1920, we did not sell a week's supply of sugar. The public simply would not buy it, and we had to hold it almost indefinitely.

Q. At the end of 1921?—A. No, the end of 1920.

Q. You are quite right, the end of 1920 and beginning of 1921, that was the situation then?—A. Yes; and I may say we had sugar that we finally sold at ten cents a pound loss. $10 a hundred pounds. We were operating at thousands and thousands of dollars loss for week after week.

Q. Now the importations of raw sugar during 1922, were just twice as big I see as they were in 1921. That is all the refineries?—A. Well, there was a large export business in 1922. The sugar came in and went out.

Q. When you are refining for export, are you able to make a profit on the operation?—A. Indirectly we make a profit because while it is done presumably usually at cost or very near it, it enables us to increase our turnover, which is the only way.

Q. The only fair way it seems to me would be to put both export and import under the same operation and find out if the whole operation were profitable or not, would it not?—A. Well it comes into that sir, in the end, naturally.

Q. When you ship abroad, you have of course to meet world conditions of competition, have you not?—A. Absolutely.

Q. And last year I note that the total refined sugar for export was about forty per cent as great as the home consumption. The shipments of refined sugar for domestic use were 809,942,816 pounds, while the shipments of refined sugar for export were 315,407,477 pounds. I presume that is about forty per cent. Do sugar prices charged by the different refiners approximates each other pretty nearly?—A. Sugar prices are of necessity more or less the same in the gross price, that is like flour or any commodity of that sort, the prices approximate one another but only approximate. They differ. Prices differ.

Q. If you would "Let Redpath's sweeten it" does it cost about the same as if you were buying from the St. Lawrence?—A. The benefit you receive is greater, in our case.

Q. Do you pay the same price?—A. This formal price that I have mentioned is not always the same, no. At times we differ in price and we must approximate the same figure.

Q. Do the shiftings up and down of prices by the different refiners synchronize?—A. Within a month there has been a variation of 15 cents per hundred pounds in the prices.

Q. Charged by different refineries?—A. Yes.

Q. Is that the ordinary case?—A. Quite ordinary, yes. It happens frequently.

Q. I notice in these figures of melting and shipments that in 1922 there was considerably more melting done by the refiners than in 1921. 1,188,941,572 pounds in 1922 as against 750,209,034 in 1921.—A. The difference was the stock carried over from 1920, this enormously heavy stock we had, which we were still liquidating in 1921, and consequently we were not melting the same amount.

Q. I see "shipments." What do shipments mean? Does that mean shipping from one refinery to another?—A. It does not actually mean sales.

Q. Does it not mean shipments between refineries?—A. No, sir, but it means sugar sent away from the refinery, sent all over the country.

Q. Do you ever ship from one refinery to the other?—A. No. It has happened but we do not.

Q. Does this ever happen, that Redpath's sugar is handled by the Dominion Refineries?—A. This will happen, Mr. Chairman, presuming that our refinery was closed down, as our refinery is in Montreal, on the Lachine Canal, as you know, possibly in its wisdom, the Government closes the Lachine Canal for a month every spring because somebody has to get some work. About that period and during that time we may run out of a particular grade of sugar and in that case we would try and buy it from one of the other refiners in order to fill our orders. Those would be the circumstances under which that would arise.

Q. I have heard of Redpath's bags being sent to the Dominion and filled with Dominion sugar and then being shipped to the trade.—A. No sir.

Q. That could not happen?—A. No sir.

Q. People would detect the difference?—A. I hope they could.

Q. I wish you had been able to give me the laid down cost in Montreal of the sugar, to give me the Cuban cost. It would have been interesting to have compared the laid down prices of sugar in Montreal with prices the consumers are paying now. You say you have not got that?—A. No, I have not got that.

Q. During the luncheon adjournment you may telephone down and get it? —A. I could make a calculation.

Q. Would it be pretty near right?—A. I think so.

Q. Let us make it together. Take the lowest price, $3.25 per hundred pounds. Now the duty on that into Canada would be what?—A. Would be $1.69¾, say $1.70.

By Mr. Caldwell:

Q. That would be from Cuba?—A. Yes, sir. We are speaking of Cuba.

By the Chairman:

Q. And then your freight?—A. This was in the month of January.

Q. This was in the month of January.—A. This was January. Well then we would pay the freight, in our cost from New York to Montreal, say 28 cents, I think.

Q. If you are not through—A. That is approximately very nearly correct.

Q. The laid down cost Would that be cost insurance and freight, c.i.f.? —A. Yes.

Q. That would be $5.23?—A. Then we would pay the exchange, whatever the rate was. Take 2 per cent. That would be 6½ cents. We pay exchange on the—

Q. 2 per cent would be 10 cents?—A. No it would not be on the duty. It would be on the $3.25 and the 28 cents. It would be on the $3.53. Call it 7 cents.

Q. Is there any sales tax?—A. No, sir, there is no sales tax. Commission to the New York buyers, 2½ cents. There would be loss in weight, ½ per cent. That would be 1½ cents, and other small charges, about a couple of cents, cartage, etc., about a couple of cents more.

Q. Call it what?—A. Call it two cents more.

Q. Call the whole thing what? $5.35?—A. $5.36, I make it.

Q. You sold that to the wholesaler. We are talking about January now. Was this price of $3.25 a normal price?—A. A normal price.

Q. Would it be a price that——?—A. That was the ruling price at that time.

Q. That was the ruling price at that time. Would that be a normal price, from your experience of the business or was it a little below the normal?—A. It was, as I remember it, I think just down to that price for a short period.

Q. Were you buying heavily at that time?—A. It was only used generally but I could not tell you whether I got in then or not. Probably not. I would be extremely lucky if I got in at that price to any extent. That is all I can say and I think that probably if the price was going—of course naturally you do not know when the bottom is reached and you very seldom get it at the bottom. You get an average as a usual thing. It is quite likely to be one-eighth of one-quarter more than that.

Q. Taking $5.36 as your basis, what does it cost you to refine, and what do you sell to the consumers at?—A. We sold to the grocer at $8.05 less 5 per cent.

Q. That is less 41 cents?—A. And less the freight absorption, which varies but I should think it would net us perhaps $7.45.

Q. Call that $7.45. That is a gross profit, about 2 cents?—A. Yes, roughly. Yes, roughly, if I got in, as I said, at the $3.25. If I did not get in there, if I got in at $3.50 it would be 25 cents less, and so it is somewhat less than 2 cents. I think it was less than 2 cents.

Q. What do you calculate your net would be on that spread?—A. The question is a very delicate one. I have not the slightest objection to telling my cost to you, sir, privately but I think—I hardly think that my competitors sitting around me you should ask me for my cost but I am prepared—

Q. Supposing we served out the same treatment to everybody, would that remove the unfairness?—A. No, sir, because even this would be a possible danger; I would feel very strongly on this. Suppose we had spread these things abroad and they would possibly filter down to other competitors we have in the country, we would possibly be exposing our hands to the very people from whom we anticipate the most danger, that is at the present moment the American. It might have a very serious and a very detrimental effect on us if you insisted on it.

Q. We are not going to insist on anything that is unfair.—A. I want to give you every possible thing I can but I want to serve the interests of the whole community in doing it, and anything that would expose us to danger outside the country or inside it, I venture to submit to you, sir—it might be given in private if you want it but should not be printed and spread broadcast.

By Mr. Sales:

Q. Have you any knowledge of the cost of production in the States? Have you any competitors?—A. I have a certain amount of knowledge, that is to say, I know that they produce there very much cheaper than we do, for this

reason that they put through enormous quantities of sugar, consequently their overheads and every expense incidental to the thing is very largely reduced. They have a market of 110,000,000 and we have a market of 8,000,000, scattered all over an enormous territory. The only profit in refining is in putting through large quantities and they put through very much more than we do. They get their coal very much less than we do; they get their bags and various other things, which are a heavy cost, at very much less than we do, and altogether they must produce—well, I do not know—but certainly at probably not one-half or two-thirds of our cost.

By Mr. Caldwell:

Q. What is the rate of duty on sugar going from Canada to the United States, Mr. Chairman.

The CHAIRMAN: I do not know.

By Mr. Caldwell:

Q. Do you know, Mr. Drummond?—A. On sugar raw, duty is $1.69.

Q. The duty on refined sugar going from Canada to the United States?—A. I have got the raw duty, I have not got the refined duty.

Q. Is there a duty on raw sugar going from Canada to the United States?—A. There is no raw sugar goes but they get it from Cuba.

By Mr. Sales:

Q. Do you get a drawback on your duty when you export?—A. Yes, sir.

Q. Of 99 per cent?—A. Yes.

By Mr. Caldwell:

Q. Does the United States raise the rate on sugar from Cuba to the United States the same as our sugar coming through to Canada?—A. No, sir. On Friday we reduced our duty here.

Q. Previous to that?—A. It was approximately the same.

Q. Approximately?—A. Yes. It was a little up, I think, this last year.

By Mr. Sales:

Q. Where do you export to principally?—A. To the United States, to the United Kingdom.

Q. At a less price than it is sold at here?—A. Well I would not say that always, but the price that we get for export is the exact price that the American can get for export. He exports 10 tons to one of ours and whatever price he can get we get that price and no more.

Q. I am not any wiser?—A. You see that is what regulates.

By the Chairman:

Q. That price as a rule is below our price?—A. Very often it is.

By Mr. Sales:

Q. Generally?—A. Yes.

Q. About how much, can you tell us?—A. I could not make a statement on that because every price varies, but the advantage of it, sir, from the manufacturers' point of view is this, that it increases his output and reduces his cost and hence it enables him to sell at a lower price in his own country.

Q. If you did not have a protective duty on sugar you would not be able to sell to the people of Great Britain cheaper than you can sell to the people of Canada? If you did not have a protective duty on sugar coming into Canada you could not sell to the people of Great Britain sugar cheaper than you do the people of Canada?—A. I do not know what would happen.

Q. In other words—. A. No, we could not, for the reason that we would not exist. We would not be here at all.

Q. In other words the consumer in Canada has to help keep the English people?—A. No sir.

Q. He certainly does in bacon and in flour?—A. The consumer in England would not be able to help keep the consumer in Canada by enabling us to do our jobs cheaper. That is my theory of it.

By the Chairman:

Q. This is the situation, Mr. Drummond; it seems to me it is not unfair to ask any manufacturer who enjoys protection to let his costs be known. Anyone who receives aid from the state directly or indirectly it seems he should not be allowed to keep to himself the costs of production. That is the view that I take, but at the same time we do not wish to put you at any disadvantage either with your Canadian competitors or your competitors elsewhere, and if we decide to ask you to give us your cost of production we will do it in such manner as to endeavour to do you no harm.—A. I respectfully submit it would be a very grave detriment to ask these costs and indirectly have I not answered these questions, because I have given you the margin that the refiners have had for years, the margin of profit that they have had, and that margin was demonstrated to be one-fifth of a cent per pound over a period of eight years.

Q. How is that arrived at? The cost must have been given to some one who arrived at that?—A. No, not the cost. That was the only margin, the net profit of the refiner.

Q. The only way you can arrive at the margin is by having your cost and taking the difference between your cost production and seeing what you get for that product. That is your net profit.—A. We get the net profit by finding the net profit and dividing it by the number of pounds we put through in a year. That shows you the profit per pound or per hundred pounds.

Q. Supposing this Committee find there was a large margin in your cost of production but you lost the benefit of that by unfortunate speculation in buying. That might be given as a thought to the Committee. I do not think it is unfair. However, I do not think we will decide the point until we have met in executive session and I can assure you the same treatment will be meted out to everybody if we decide to do it and your competitors outside the country and inside will be given no knowledge of it. I might tell you we had the Massey Harris Company's representative here the other day. We built a binder in this Committee Room. We discovered everything that went into a binder. It took us three hours and they had their costs down to one-tenth of a cent and from their figures we learned they were selling their binders at less than cost.—A. You can imagine what I was going to say. You can imagine when I learned they were doing it what I was going to say and what I hesitate to say.

Q. Just as I say, public sympathy would be aroused for unfortunate manufacturers if it was known they were carrying on their business at a loss and they were just in the same boat as the farmers who tell us they are carrying on their business at a loss?—A. I cannot run my business on public sympathy. I am afraid they have not any sympathy for us.

Q. Can you bring with you this afternoon your stock book showing your purchases from time to time of raw sugar?—A. No, sir, I have not got that here.

Q. You could telephone down to the man who is the purchaser. He could give it to you from the office before we meet at 3.15 this afternoon.

The Committee adjourned until 3.15 p.m. for executive session.

Afternoon Session

The Special Committee appointed to inquire into agricultural conditions throughout Canada, resumed hearing evidence at 3.30 p.m., May 15, 1923, the Chairman, Mr. McMaster, presiding.

The CHAIRMAN: Before the adjournment a question was asked as to the duty on sugar going into the United States. I believe this is covered by paragraph 503—

Mr. CALDWELL: From Canada?

The CHAIRMAN: Yes, or from anywhere else. I believe this is covered by paragraph 503 of the Tariff Act of 1922, as follows:

> "Maple sugar and maple syrup, 4 cents per pound; dextrose testing not above 99·7 per centum and dextrose syrup, 1½ cents per pound. Sugar cane in its natural state $1 per ton of 200 pounds; sugar contained in dried sugar cane, or in sugar cane in any other than its natural state, 75 per centum of the rate of duty applicable to manufactured sugar of like polariscopic test."

When the Committee adjourned for the noon recess the question as to whether we should ask refiners to give us their costs of manufacture was left for further discussion. We have discussed the matter, and we have come to the conclusion that our investigation would be inadequate and incomplete if we did not ask these gentlemen to give us their costs. At the same time we do not wish to be unfair in any way to the refiners, and before proceeding with the investigation as to costs we will hear argument from Mr. Drummond or any other who may desire to address the committee on the question as to whether there is any real danger of prejudice being suffered by Canadian refiners, by the publication of such details. If after hearing argument we come to the conclusion that there is danger of prejudice we will hold the investigation in camera, and do what was done two or three years ago in the House of Commons by a similar committee which went into the question as to whether it would be wise to pass legislation restricting the export of various things from Canada. I formed a member of that committee. We sat in camera and not one word of the evidence leaked out. We have decided to follow the same procedure, which we think would be eminently fair, if we come to the conclusion that it would be against the interests of the refiners to have the data which we will ask them for published. So that I will ask Mr. Drummond and any other of the refiners who are here present to address the committee and to explain to us why it would be a prejudice to them to have their costs of manufacture disclosed. I would like to say on behalf of the committee and myself that we should much prefer to have everything heard absolutely in the open, and it would be our desire to have the investigation proceed in this way. However, we are open to argument, and if arguments are made which lead us to the conclusion that there would be a prejudice suffered by the refiners in having the investigation of costs opened, we will conduct it in camera.

Mr. DRUMMOND: Mr. Chairman and gentlemen: It is somewhat difficult for me to give absolute specific reasons. There are a number of things to a certain extent you know to be facts, and yet it is somewhat difficult at times to give the precise reason why you know. At the same time I want to state to the committee that we are here anxious to be as fair and open as we possibly can be. I have given you already data which nobody else could have got from us under any consideration. The question of costs is a very vital one with an industry. If we take the instance, as might well occur, where a

refiner was obliged to state that his costs were a certain figure, which was a very high one, that certainly gives his competitors, and I do not restrict them to the competitors in Canada, but as I said before, to the competitors outside the country, the opportunity of saying "Well, these people have got costs of so and so; our costs are so much less; we therefore could go in and put these people out of business". Or they might even say in this instance, "These people are behind the times,; they do not know what they are doing; we could manufacture at very much less cost; we will go in and we will establish a factory in Canada and manufacture at this lesser cost, and achieve the same end." That might be founded on a completely wrong impression, but it would not help this established industry in Canada if another concern were to come in and were to join in the over-production which exists in this country already.

The consumption of Canada, domestic consumption, is roughly -you gave the exact figures —about eight hundred million pounds a year; I am not exaggerating when I say that the capacity of the refiners is from 50 to 100 per cent in excess of that amount, that this is really a very very serious detriment to them in their working costs, it is a condition that confronts us, and not a theory; they are here, and they have money invested, and we have got to make the best of it; but to contemplate another man coming in under a misapprehension, it might be, and founding another factory, would certainly be an extremely serious thing for the refining industry of Canada—

The CHAIRMAN: Let me just interject a question here; do you think it would be likely that a new refining concern would come into Canada and establish itself just on the evidence that you or others would give before this Committee? It would strike me, and you will correct me if I am wrong, that before any industry of that kind come into Canada they would make the most careful investigation themselves.

Mr. DRUMMOND: You would be surprised if you knew on what basis a great many things are started, and how slim the investigation very often is about going into a new thing. I have no doubt you have had the same experience, where some friend has said "Come in, here is something good", and you have gone in on his say so without any investigation. I repeat to my sorrow that has happened to me several times; and why they come in is not obvious, and totally non-understandable to anybody in the business, but it does happen, and it has happened in Canada. When the last refinery started in Canada the refiners in Canada were perfectly capable of handling the whole of the output of this country.

The CHAIRMAN: The newcomer, which one was that?

Mr. DRUMMOND: That is the Atlantic Refinery. I mean nothing personal at all, but the refining capacity was ample to look after the needs of the country, and a new industry was established. We could not see why, but it was a fact.

The CHAIRMAN: Is it likely that you or any other of the refiners in giving their costs will indicate costs of operation so as to lead outsiders to the conclusion that you must be following old methods, and that they by coming in and introducing better methods should be able to operate more cheaply?

Mr. DRUMMOND: Yes, sir, because the costs are a matter which it is extremely difficult to get a correct appreciation of, because it depends on your output and so on, over a given period. The refiners in Canada operate under this handicap, that the market is not large enough to absorb all that they can do, and I state most emphatically that I consider it would be very very detrimental to us to have those facts known outside. I will state that as my absolute conviction.

Mr. HAMMELL: Outside of this committee.

Mr. DRUMMOND: Yes. I am prepared to hand privately to the Chairman what our costs are, to be communicated, but I would implore you not to publish these costs; it would be very detrimental.

The CHAIRMAN: If we come to the conclusion that your objections are well founded, what we will do is, the Committee will sit as a Committee in camera and we will exclude the newspaper men and we will not print the evidence; that is what we will do if we decide to follow your suggestion. We do not want to make flesh of one and fowl of another. Perhaps there are some other refiners who would like to be heard along the same lines. We understand your position. You think it would be a real detriment to have your costs published.

Mr. DRUMMOND: I honestly do, sir.

The CHAIRMAN: Does any one else wish to speak for any of the other refiners?

Mr. MCCONNELL: I have prepared a memorandum which I think might be of interest to the Committee—

The CHAIRMAN: The first thing is whether or not you have any objections to having your costs published?

Mr. MCCONNELL: I have in accordance with your request brought with me the average price of my raw sugar, and also in a confidential memorandum my costs of operating, but I have added to that memorandum a special request that it be kept private, because I have said to you, without knowing that Mr. Drummond was going to say anything at all, that it would be very detrimental and inadvisable from my point of view to have my competitors or outsiders know my detailed cost of operation.

The CHAIRMAN: You think really that would hurt you?

Mr. MCCONNELL: I think it would hurt me very much.

The CHAIRMAN: Explain how it would hurt you?

Mr. MCCONNELL: Take, for instance, the first three months of this year, we have been operating on a very low rate, and at a great disadvantage; we have maintained our workmen, as much as it was possible to do so, rather than throw them out of positions, and our refinery during that period operated at probably the lowest ebb for a number of years, probably not over thirty-three and one-third per cent capacity; during that time our costs were high. It is not a creditable showing at all, and I certainly would not like to be held up as a sugar refiner with costs such as I must show for the first three months of this year.

The CHAIRMAN: Could you not offset that by showing us what your costs are for the whole of last year?

Mr. MCCONNELL: Yes, I can do that.

The CHAIRMAN: If we ask you to do that would there be any disadvantage to you in giving your costs?

Mr. MCCONNELL: Only this disadvantage that would, of course, be to any manufacturer who is here to show his private operations. I do not think it is right or reasonable.

The CHAIRMAN: Sugar refining is not a secret process?

Mr. MCCONNELL: Yes, it is, very much so.

The CHAIRMAN: Refiners have different secrets?

Mr. MCCONNELL: Yes, quite so.

The CHAIRMAN: You know something about sugar refining that Mr. Drummond does not, and Mr. Drummond knows something about it that you do not.

Mr. MCCONNELL: I think Mr. Drummond knows a great deal more than I know.

The CHAIRMAN: We understand your point of view. Is there anybody else who wishes to speak on behalf of the refiners?

Col. W. A. HOBBINS: I represent the Atlantic Sugar Refinery. Personally, sir, speaking for my company, I would much prefer not to disclose our costs. I have made up and have ready for you and for the Committee full details of our operations during the last three months, and our present costs. I do not like the idea of my competitors in the first instance knowing exactly and being able to figure first of all our system of buying our raw sugars, and secondly, the advantages or disadvantages of our modus operandi. We have all the way along since the terrible crash of 1920 realized to sit down and just melt it purely on the domestic basis meant entire elimination of our company. We therefore took steps to avoid that, which we are rather proud of, and the whole system we would rather like to keep to ourselves. In addition to that, sir, we are in direct competition with the American refiners. In addition to that, we are in competition with the English refiners on our export business, and I think I may say without fear of contradiction, that no English refiner has ever been called upon or has ever disclosed the course of his operations.

The CHAIRMAN: They are in a little different position; they have not the duty to help them.

Col. HOBBINS: A duty in what way?

The CHAIRMAN: They have not got a protective duty on foreign competition.

Col. HOBBINS: They have a duty on refined sugar of five cents a pound.

The CHAIRMAN: Since when?

Col. HOBBINS: For a good many years.

The CHAIRMAN: I did not know that; when did that duty come in?

Col. HOBBINS: They have a duty on refined sugar of twenty-five shillings and eight pence a hundredweight.

The CHAIRMAN: A hundredweight?

Col. HOBBINS: Or a ton.

The CHAIRMAN: What does that work out a hundred pounds?

Col. HOBBINS: Twenty-five shillings and eight pence a hundredweight of 112 pounds.

The CHAIRMAN: What does sugar cost?

Col. HOBBINS: I have not the proof here, but I will be very glad to furnish it to you.

The CHAIRMAN: It is surprising to me that there is a duty on sugar going into the Old Country.

Mr. DRUMMOND: That is the fact.

The CHAIRMAN: Is there any differential duty?

Col. HOBBINS: All sugars made from preferential raws, that is British grown sugars, it is four shillings and threepence less—twenty one shillings and eightpence.

The CHAIRMAN: Is there any countervailing duty?

Col. HOBBINS: Not that I know of, sir.

The CHAIRMAN: You feel it would be unfair?

Col. Hobbins: In addition to that, if I may just mention, we are in direct competition with the American refiners in the English and continental markets, and if we give away our position to them it is not difficult for a refiner to work out at what price he will have to—he knows what our purchases are, they can always find that out in New York, he knows what our costs are, he knows what prices he will have to quote to undersell us.

Mr. McConnell: In July 1922, the Canadian price was 7¼ cents a pound, and the English price par of exchange was 10 cents a pound; the difference being accounted for in the extra duty on English sugar, that is July last.

The Chairman: If you have a duty at twenty-five shillings and eightpence for 112 pounds—

Mr. McConnell: Twenty-five shillings reduced to dollars is about $5.50.

Mr. Drummond: It makes it a little under 5½ cents a pound, as I figure it.

Mr. McConnell: The English hundredweight is 112 pounds.

Mr. Sales: 5½ cents a pound duty, how can you pay 5½ cents a pound duty in importing sugar into England, which sold over there at ten cents?

Mr. McConnell: I gave you here the relative prices of refined sugar. During July the refined sugar was selling at 7¼ cents per pound, raw sugar was perhaps available at 2 or 2½ cents you see. The English importer pays the duty; if he buys refined sugar from Canada he buys it in bond, and he pays the duty; he must get that sugar at such a price as will enable him to pay the English duty of five cents a pound and sell it at the current ruling price in England.

Mr. Sales: You are exporting refined sugar?

Mr. McConnell: Unfortunately I have not been able to compete. I see I got the wrong column, the English price was 12.27 per pound; the price I quoted was the Japanese price.

The Chairman: Mr. Drummond, and gentlemen, the Committee feel that the arguments you have put forward are such as to lead us to believe that the inquiry as to costs should be conducted in camera; so with regret, we will have to see that the press and everybody but the witness under examination disappear.

Mr. Sales: There may be a possibility but it certainly does not sound reasonable to me that our Canadian plants are so obsolete in their methods.

The Chairman: I hardly think that is altogether a fair observation.

The Witness: I did not say so. I said they might think so. I will hope, sir, that if they did come in I will have a surprise or two up my sleeve that might alter it, but that would not help my owners if another refinery was established in the country.

Mr. Caldwell: Mr. Chairman, before we proceed, let us understand this definitely. Have we decided that we will hear this in camera?

The Chairman: We have decided that this evidence is being taken in camera. We can give our recommendations based upon it, but we will not divulge it, that is the understanding.

By the Chairman:

Q. Now Mr. Drummond when we discontinued our examination of costs, you had told us that in January your raw sugar laid down in Montreal cost $5.36 per hundred; and you told us also that the net price from the wholesaler to you was $7.45. Those are the figures I have made a note of.—A. Then you asked me to get, sir, the purchases from the beginning of the year. I was only able to get my office just after three o'clock and I have not been able to

get them into any form. We can make them up and give them to you at a later date, but I do notice one thing, we did not get any at that $3.25 price. I did not know that. The nearest to that was about 15 cents more.

Q. Let us get what you actually did.—A. That was one small lot that we got that cost us, I figure roughly, because I got this over the telephone, and all the costs were not added in there, and I had to make an estimate of those, I figured $5.40.

Q. We will call it $5.40.

By Mr. Sales:

Q. Could you have those figures before us to-morrow morning?—A. Yes. Every one of these needs calculation or an estimation of the various costs like the exchange and so forth that are added to it, which vary from day to day.

Q. But you keep a record of that?—A. Yes, we keep a record and we could look up our records, but these are matters of estimation you see. This point might also be remembered, sir, how much did we get at a low price? That affects the whole argument very much. How much did we get at the low point and how much at higher points?

Q. That is why I would prefer to have your stock record in, and if you say we bought so much at such a price and then we bought so-and-so, then we know what we are doing. But this estimate is only an estimate anyway.

Mr. McMurray: I think we should have the book.

Mr. Caldwell: Mr. Drummond admits that without the books it is more or less an estimate. I do not think it would serve any good purpose to take estimates on this. If we are going to investigate this we should do it in a manner that will insure a thorough investigation.

Mr. Sales: You can tell your people in Montreal to take it from the books.

The Witness: I can tell them to make up a typewritten statement showing the purchase and the costs laid down of everything we have bought this year.

By Mr. Gardiner:

Q. Would that come through the mail?—A. It would have to come through the mail.

Q. How big is your stockbook?—A. I suppose there are thirty or forty purchases in that period.

By Mr. Sales:

Q. Is that all in one book, Mr. Drummond?—A. There is a contract book, yes, in which these are entered. Whether he keeps the exact figures of the cost in that book, I don't know. We know the price at which we purchased and that is in that book, but whether the exact figures are in I am not personally familiar, but it can be made up.

The Chairman: How would this do? We asked Mr. Drummond to telephone to Montreal to get in touch with whoever in his establishment is responsible for these matters, and to ask the man responsible to prepare and bring to Ottawa a statement showing the costs laid down in Montreal on the various purchases which he made.

By the Chairman:

Q. For how long back should we ask that, Mr. Drummond, in order to get a fair idea? What we are after is to get fair idea of the situation neither exaggerated on the one side nor the other, and how far should we ask you to

go back in order to give us a fair birdseye view of the situation?—A. I would propose to the first of the year. May I ask this question? Is the idea of the Committee to see what our raws have cost us?

Q. Yes, and what you have got for your finished product and what your cost of manufacture has been?—A. Yes. Of course I have stated that the method on which we proceed on a rising market is to base our price on the cost of replacement from day to day, or whenever we make a variation, which experience has shown us is the only possible way because we will inevitably have a period when prices are declining and when we will lose whatever we apparently might be making at this time; and I have also shown you I think that we have not strictly adhered to that principle not as much as should have in our own interest, because we are assuming a part of the increase ourselves at this very moment, based on the cost of replacement. We are assuming even now 60 cents of the cost that should be on that principle passed on.

The CHAIRMAN: Mr. Gardiner, how far do you think Mr. Drummond should go back?

By Mr. Gardiner:

Q. When is the end of your financial year, when you make up your annual statement?—A. The calendar year.

By Mr. Sales:

Q. You would show what stock you have on hand on the 31st December? The stock of raw sugar on hand?—A. Our statement would show that.

Q. Then if we had that statement and your purchase from that time Mr. Drummond.

Mr. GARDINER: That would do, Mr. Chairman.

Mr. CALDWELL: Another point, Mr. Chairman, I think Mr. Drummond told us this morning that the operating expenses had been abnormally high.

By the Chairman:

Q. Mr. McConnell said that. Have you been operating at about your normal?—A. No, we have been operating at a small output too, but that is because we have not got the market, gentlemen. We cannot help it. In the winter we cannot export from Montreal, as you know the river is closed up. We are operating at a small output and the costs are excessive, but they must be because we have not got the market.

Mr. CALDWELL: The point is that possibly we will not get a normal idea of operating and its cost for those months. Would it be unfair to ask, not from the first of the year, but for the previous year?

By the Chairman:

Q. I think Mr. Drummond that would really give a fair idea would it not? If you take not only this year but last year as well?—A. That would give a fairer idea, sir, of normal conditions with a certain output, but it would give an absolutely unfair idea of present conditions.

Mr. CALDWELL: We will take the past four months as well.

By the Chairman:

Q. What I would suggest—you will tell me whether you think my suggestion fair—that you were prepared this morning to give us the cost of production on your last year's operations, and that you also prepare a statement showing your cost of production so far as it has gone. Would that give a correct birdseye view of the situation.—A. Yes, sir, always remembering that the cost depends on the amount of production; that if we have an exceptional time

in which we are exporting we may have lower costs than we would at another time when the export is cut off.

Q. I understand that, sir, and probably you will put these figures in, and accompany them with any explanation that you think the Committee should have in order to get a just appreciation of the figures.

Mr. GARDINER: There is just another point in connection with that, Mr. Chairman. It would seem that they have what you might term normal and abnormal periods of production. As far as I can see it would hardly be fair to this Committee or to the refiners unless we had the information for a full of our company has been as it was, it has never altered since the beginning; it

Q. Previous to 1919, say in 1918, 1917 and 1916.—A. In 1918 the capital term before us.

The CHAIRMAN: That is what I have asked for. I have asked Mr. Drummond to prepare a statement of costs for the full year 1922, and also for the 5½ months of 1923.

The WITNESS: We would have them up to the end of the previous month. Naturally they would not be made up for this month.

The CHAIRMAN: That would be quite satisfactory.

Mr. CALDWELL: I think that will give us a fair idea.

Mr. MILNE: What about the earlier time in 1913, to make a comparison with normal conditions?

The CHAIRMAN: Could you give us the same for 1913, the last normal year.

Mr. GARDINER: There is another point that the Committee might wish some information about, seeing that this evidence is not to be printed; and that is the capitalization of the company and so on, so as to tell us how they are coming out financially.

Mr. CALDWELL: The amount of dividends covering how many years?

Mr. GARDINER: Take 1913 as a normal year. And last year if possible.

The WITNESS: I can answer part of that now, sir, that my company has paid no dividends since 1919.

Mr. CALDWELL: But since 1913.

By Mr. Sales:

Q. Previous to 1919, say in 1918, 1917 and 1916?—A. In 1918 the capital of our company has been as it was, it has never altered since the beginning; it is a million dollars since we started; since the company was in shape as a company, our capital is a million dollars.

Q. Is that 69 years since?—A. Well, I would not say 69 years, no.

Q. You said this morning you had been in business 69 years.—A. Well we started in 1854.

Q. And how long has it been capitalized at a million dollars?—A. I am sorry, I cannot say that. We have been a company certainly for thirty or forty years. I could not say definitely without looking it up.

Q. And it has been a million dollars for that period?—A. I think so but I would not like to make that positive until I verify it.

Mr. GARDINER: There is another point, Mr. Chairman. I understand that this refinery has made a financial loss. I should think from the evidence that such has been the case for the last two or three years. It might be interesting for this Committee to get a little information as to how those losses were taken care of, whether out of reserves or in what manner; and what are the resources of the company. We have asked for that information from other concerns.

By the Chairman:

Q. We asked the Massey-Harris to tell us that. There is no objection to telling us that.—A. We wiped out all our reserves, and borrowed the rest. It more than took every reserve we had.

By Mr. Sales:

Q. How much were your reserves?—A. Our losses, which I gave an indication of this morning, arising from 1921, were millions of dollars.

By Mr. McMurray:

Q. How did you get a loss like that unless you had a vast stock on hand?—A. We had, owing to the action of the Government, who compelled us, actually dictated our purchasing, and when the crash came, then they refused to let us advance our prices.

Q. You must have had stock on hand, a vast stock of sugar?—A. As I have explained, they refused to let us advance our prices with the advancing market, so that we could have made a reserve that might have helped us when prices were going down.

Q. But how could you lose unless you had a large quantity of stock?—A. We had a large quantity of stock and as I said when prices are dropping, business becomes very small.

Q. But you could have stopped manufacturing?—A. We had the stock, sir.

Q. You must have had a vast quantity of stock on hand to have suffered a loss of 7 million dollars?—A. Which we bought on the instructions of the Government, because if you remember, sir, in 1920, or during that period, there was talk of a shortage, and that is what drove the price up. One Government department was saying, stock up, sugar is going up.

Q. How much sugar did you buy at the dictates of the Government, to sustain a loss of millions of dollars?—A. I couldn't tell you offhand but that the loss is an actual one, I can assure you of that.

By Mr. Caldwell:

Q. Do I understand that the Government compelled you to buy a large stock of sugar?—A. They compelled us to buy. The situation was this, the year started with sugar at a high price.

Q. I know, but I would like an answer to my question, did the Government compel you to buy any certain quantity of sugar at these high prices?—A. I don't know that I have the exact proof in my hand, but the instructions of the Government were to buy sugar to supply the wants of the country.

Mr. McMurray: Did they guarantee to support you?

By Mr. Caldwell:

Q. Just a moment, was that an order or advice? Did they order you to buy or instruct you to buy?—A. We took it as an order.

Q. What department of the Government issued that order and what was their authority?—A. The Trade and Commerce.

By Mr. McMurray:

Q. How much did they order you to buy?—A. I couldn't say that.

Q. Was it one order or many?—A. I could not answer that offhand.

By Mr. Caldwell:

Q. Did you believe it was a good plan to buy all the sugar you bought?—A. No, we had to.

By Mr. McMurray:

Q. Is this right, Mr. Drummond, that a sugar ring in the United States guaranteed to the Canadian refiners the export trade if they would take their surplus stock off their hands?—A. No, sir, absolutely. I never heard of that, I never heard one syllable of it. No such thing.

Q. Did you ever hear of a sugar ring in the United States?—A. I have read the papers, but I also know that the sugar refiners, if you are referring to them, are in fierce competition in the United States.

Q. I am not referring to the sugar refiners; I am referring to bankers on Wall Street, who formed a sugar ring and got control of the Cuban sugar. Did you ever hear of that?—A. In what period?

Q. Away back in 1917, 1918 and 1919?—A. No, I never heard of it.

Q. Did you ever hear of the Havana Banking Company?—A. I don't know them.

Q. And that they got a lien on the Cuban sugar crop?—A. No.

Q. You never heard of that?—A. No, I never heard of them, and I don't think any banking company could get a lien on the sugar crop of Cuba. I don't think it is possible. The sugar crop of Cuba amounts to 4 millions of tons. The price during that year rose to 22½ cents. That is $500 a ton.

Q. Suppose they got that lien before that price came on? Supposing certain bankers in the United States, looking out over the field, recognizing that there would be a shortage in sugar, being astute as to that, advanced money to a banking interest in Havana, and purchased up the Cuban sugar crop; did you ever hear of that being done?—A. No, sir, never.

Q. Can you say it was not done?—A. I say I never heard of it, and I express my belief that it would be an utterly impossible operation.

Q. There came a time in the history of your operations in 1917, 1918 and 1919 when you found it very difficult to get sugar?—A. Yes, sir.

Q. And sugar was doled out to you almost by rations, from the United States; isn't that right?—A. We were in 1916 and 1917; I think the Government took charge here.

Q. But before the Government here took charge you were getting sugar in doles from the Americans?—A. No, sir.

Q. Do you say that is not so?—A. I say absolutely it is not so, because we don't buy from the Americans.

Q. Where do you buy?—A. We buy from a number of different sources. Here is my list, we buy from Venezuela, Cuba, Jamaica, Demerara, San Domingo, Antigua, and from St. Kitts.

Q. Were you getting sugar from those sources in 1917, 1918 and 1919?—A. Yes, sir, every year, naturally.

Q. From the same houses you purchased from before?—A. Just exactly the same sugars. We always got them. Whenever we got sugars we got them wherever we could.

Q. Then up to a certain time you had difficulty in getting sugar through those periods?—A. There were periods of shortage.

Q. Then all of a sudden there came a time when you got into your possession vast quantities of sugar, when the Government made you buy it?—A. Yes, at that time there was a supposed scarcity of sugar, all during that period.

Q. And that turned out not to be true?—A. It turned out not to be true.

Q. And vast quantities of sugar came into your hands?—A. Yes.

Q. At a high price?—A. Yes.

Q. How would you get such vast quantities of sugar lying loose and still the price being high? If there was a vast quantity of sugar to be had would not the price naturally go down?—A. The price did go down as soon as the facts were known.

Q. Why did you have to pay such a high price?—A. As soon as the facts were appreciated the price went down like that. As soon as the facts were appreciated that there was a surplus it immediately dropped.

Q. And apparently the Government and you did not appreciate the fact that you had in your possession hundreds of millions of pounds of sugar—A. Well I don't know about hundreds of millions.

Q. They tell me they had sugar here in the grain elevators.—A. I never heard that.

Q. But you will acknowledge that you had hundreds of millions of pounds of it?—A. No, I don't acknowledge that.

Q. Then how did you sustain the loss?—A. Well, sir, let me explain that; it is very simple. We sustained a loss on some sugar of ten cents a pound. Can you realize how much that is? The margin on sugar is one-fifth of a cent a pound. Some of this sugar we actually lost ten cents a pound on.

Q. I know you did, by getting a vast quantity in your possession at a high price.—A. Yes, and by the Government refusing to allow us to put up our prices to correspond with the prices at which we were purchasing.

Q. How could the Government prevent you putting up the price?—A. By putting us in jail.

Q. How would you put up the price, if the Government had not prevented? —A. We would have advanced the price as we paid more and more for our material, knowing that eventually the slump would come when we would lose it.

Q. How would you keep the price up? You said you would advance the price or keep the price up, what would be your modus operandi of keeping up the price of sugar in Canada? Granting that you had vast quantities of sugar on your hands, how would you keep the price up in this country?—A. We would have advanced the price as the raw sugar advanced.

Q. How would you advance it, simply hold it back?—A. No, sir, we would have sold it.

By the Chairman:

Q. Was the price controlled at that time?—A. The price was absolutely controlled at that time.

By Mr. McMurray:

Q. By whom?—A. By the Government. And we were absolutely not allowed; we were told what we had to sell at.

Q. By the Board of Commerce?—A. By the Board of Commerce, yes.

Q. And you pointed out to them that you were losing 7 million dollars? —A. We pointed out to them that if a decline came as it was coming, and was already beginning, that we would lose a very large sum of money, and it made no difference.

Q. And you say to the best of your knowledge, Mr. Drummond, there was no sugar ring in the United States that put up the price of sugar?—A. Well if there was I knew nothing about it.

Q. And doesn't it strike you as remarkable, that the people of this country would be paying a terrific price for sugar and you able to get it by hundreds of millions of pounds?—A. The people in this country, sir, were paying a price which was at least ten cents a pound under what they were paying in the United States in the same period when sugar was not controlled.

Q. If there were millions of pounds of it there and it was not controlled, how would the price stay up? Would not the law of supply and demand govern prices?—A. How would they pay it? I am telling you that they did pay it.

Q. Yes, I know it was done, but I think the law of supply and demand was interfered with?—A. No, sir, at that time there was presumed to be a great shortage.

Q. And yet you had hundreds of millions of pounds here, and there was presumed to be a great shortage there.—A. I do not know on what that presumption was based. The fact remains during the first part of that year the price kept advancing. In the United States, where sugar was uncontrolled, the refiners advanced their prices to correspond with the increased cost of their raws until it reached a point where under similar circumstances we should have been getting 10 cents a pound more than we were here. Finally the bubble collapsed, and it was discovered that there was more than enough sugar and prices fell down.

Q. Did there ever come a time when United States sugar men were not exporting to England?—A. I cannot tell you what they did in the States that year but I can tell you at the time when sugar could have been exported from Canada into the United States, by Canadian refiners, who would thus have got rid of their surplus, that by order of the Board we were not allowed to export, because they still feared a shortage in Canada.

Q. And you with hundreds of millions of pounds on hand.—A. We were absolutely refused permission to export it.

Q. Did you export any of that to Great Britain?—A. Any of that sugar?

Q. All this quantity of sugar you had on hand?—A. No, because there was no export that next year, but we were absolutely refused permission to export, to save our skins.

Q. You never heard of Kuhn & Morgan taking over the bank in Havana and getting control of the Cuban sugar crop?—A. No. They are only names to me, like they are to you.

By Mr. Gardiner:

Q. How long a time did your period of losses cover?—A. They all arose in 1920 and were carried over until 1921, because some of the sugar was not sold at the end of 1921.

Q. What amount of stock were you carrying as a rule at that time?—A. Well, a considerable—I could not give you offhand the amount that we had, but it was sufficient to involve us in this amount of loss.

Q. If you lost millions of dollars and you consider your losses were at the rate of ten cents a pound, you must have had a stock, to have lost that amount of money of seventy million pounds?—A. No. During the period that would be seventy million pounds on your figures. I do not know whether they are right. That would be thirty-five thousand tons. That would be about three to four months stock, our normal consumption. The consumption fell off practically to nothing. That is, gentlemen, the explanation of the facts. We did make that loss, which was owing to the operation of Government control, and it was because we were not allowed to observe the law of trade. You must base your prices on the replacement value of your raw material. Similarly on every rise in the price of sugar, if you do not base your profit on the cost of replacing your loss, when the slump comes, as it must, as it will and always has, you are going to lose far more than you could possibly make as it went up. That is why we would prefer stabilized prices, but we have no more control over that than a fly.

By the Chairman:

Q. Have you been following at all the agitation which has been going on in the United States against this rise in sugar?—A. Yes, sir, I have followed it. I have seen about it in the papers. I have read about it.

Q. There has been a suggestion made by certain people in the United States that the National City Bank of New York, the old Colony Trust Company of Boston and a large Montreal bank, whose name is not given, were interested—first of all, had made heavy losses in Cuba at the time of the slump referred to, and that this flurry in sugar prices is due to the joint operation or a desire of these banks, with the sugar people, who were customers of theirs, to raise the prices.—A. I have heard that. I believe it is perfectly true that the sugar producer in Cuba did lose large sums of money when sugar went down. When sugar went down to $1\frac{3}{4}$ cents the unfortunate grower—and I might tell you my sympathy is with him—he must have lost money, because he was manufacturing below cost.

Q. I suppose the banks that held his paper stood to lose money?—A. I should imagine so.

By Mr. McMurray:

Q. Do you say the grower lost money in Cuba with the high prices?—A. When the slump came and sugar went down to $1\frac{3}{4}$ cents.

Q. Did not the product in Cuba double with the high prices? Was not sugar growing boomed in Cuba?—A. During 1920 and the slump came in 1921.

Q. But it grew so fast that it got away from the combine and left their hands full of sugar. Was not that what happened?—A. I do not know what the sequence of events was, but this of course is perfectly true, that with the reduction of beet production it gave an impetus to the cane production. When Germany which produced two and one-half or three million tons of sugar yearly was at war, it gave an impetus to the tropical producer, and it gave an impetus to the beet producer in the United States and in Canada.

Q. They simply doubled their production.—A. Probably not double it, but increased it largely.

Q. I have heard this suggestion, Mr. Drummond, I do not know whether it is true or not, that the quantity of sugar in Cuba produced became so great that this sugar ring in the United States got loaded up with it. They could not sell it in the United States without breaking the market; they passed a vast quantity of that sugar over to the Canadian refiners with the understanding that they would withdraw from the export field and you fellows would have the export field and they could hold the price in the United States.—A. I absolutely assure you there is not one word of truth in it.

Q. How is it we came to get such a vast quantity of sugar flooded in, so many times more than we needed altogether?—A. Because it is a very peculiar situation, and during times of advancing prices here, people will purchase more and more sugar than they need.

Q. When prices are going up to dangerous heights?—A. I say when prices are advancing, purchases are active. That is a law of business. In addition to that, the Government, both in Canada and the United States were going around saying, "there is going to be a shortage. Do not hoard sugar," and that was sufficient for every smart Aleck to get hold of all the sugar he could before it got more expensive.

Q. You do not refer to your brother refinery and yourself in those terms, do you?—A. I refer to the consumer. There was sugar purchased in the beginning of 1920, and many a man had over a year's supply of sugar.

Q. How would you sustain the loss if you were buying it and bound to get it?—A. Because we were not allowed to advance our prices.

Q. If the Government compelled you to buy hundreds and millions of pounds of sugar at the terrific prices—millions of dollars was your loss. You

must have bought at least 100,000,000 pounds to sustain that loss?—A. As I say, we put through, I cannot remember exactly, but we put through in the neighbourhood of 100,000 tons a year, so that would be about one-third of a year on that basis, but it took us nearly nine months to sell it. There are a great many ways to lose money besides on the actual cost of your product, and your sale price. For instance, if we are carrying on a business and it is shut down for three or four or five months.

Q. I offer this suggestion to you, that you had this sugar on hand before the Government set the price.—A. No, sir.

Q. Then you must have gone on buying the sugar at the tremendously high prices, knowing that you had to sell it at a loss of as much as ten cents a pound.—A. No, we did not know that we would have to sell it at a loss of ten cents a pound. It was subsequent events that showed that to be the case. We of course at that period did not know, nor did the Government know, that there was going to be this loss. That is how it turned out.

By the Chairman:

Q. Did you have any undertaking from the Government that they would see you through?—A. We had an undertaking from the Board of Commerce. I think I read it to you this morning, but the exact wording of it was this.

By Mr. Sutherland:

Q. What is the date of this?—A. This was a statement made by the refiners when they appeared before the Privy Council. There is no date on it, but in the end of 1920, when we knew or could surmise our position, we asked the Board to be allowed to sell on basis of replacement cost of our raw material, when raw sugar was raised or was carried to approximately 24 cents a pound, and we were at the same time, selling at 21 cents, on the basis of actual cost of the raw sugar being used instead of at 28 cents a pound, which would have been the price of replacement valuation. We asked the Board to permit us to sell at or near the replacement value. We pointed out unless we were permitted to make the reserves, which would follow on a falling market, which was bound to come, we would meet with disaster. The soundness of our contention was admitted, but our request was refused. There was a tremendous outcry at that time about the cost of sugar, etcetera, profiteering and so on.

By Hon. Mr. Tolmie:

Q. They were talking about the Sugar King.—A. We had that title at one time, but we have gone the way of all the rest of the kings, into the discard now. The Board answered they would protect us on a falling market to the same extent they protected the consumers on a rising market, so that we would not be driven to sell on a replacement market, in such a market. That was what the Government failed to implement.

By Mr. McMurray:

Q. From what are you reading?—A. This is a statement that the refiners made before the Privy Council. I would like to give you a copy, or anyone who wishes it, because I think it is a very convincing document, but it received no consideration.

By Mr. Munro:

Q. What reason did the Government give for not implementing their promise?—A. I think their reason was that they would lose the next election if they did.

By Mr. Sutherland:

Q. When you are speaking about the control, you are speaking about the control exercised by the Board of Commerce, over which the Government had no control.—A. The Government appointed them and gave them power to regulate prices, which they exercised.

Q. And when the price of sugar was much higher in the United States they refused to allow you to put up your prices over here?—A. To a corresponding figure.

Q. When the price slumped in the United States, they refused to give you the support you would naturally expect to have had?—A. Yes.

By the Chairman:

Q. Do you not think you would like to have this published, what you are telling us now. Is it not of real advantage to you as a refiner, that these things should be known?—A. This thing I would like, above all things, to be published, just as I said the other day, that I wished we could have had proceedings before this Board in front of the Government so that they might have seen the position in which the refiners were.

Mr. SUTHERLAND: Has it not already been published?

The CHAIRMAN: Let me make this suggestion: if we have finished with the costs, I think we ought to invite the press back, or will we have to get the other fellows in for their costs? We will let this part of the evidence be printed.

By Mr. Gardiner:

Q. There is a point with regard to the Board of Commerce that I would like to get. Is it not a fact that the Board of Commerce did pass an order for the purpose of sustaining the price of sugar when that drop came, but the Government stepped in and countermanded that order?—A. Practically.

Q. Eventually when the Board of Commerce took control of the prices, when the prices were going up, they evidently did not have an understanding with the Government on that point?—A. No, I do not think so.

By Mr. Hammell:

Q. Mr. McConnell made the statement that the refining process was more or less of a secret to each of the different refiners. Do you mind giving us an outline of the process?—A. The process is in one way extraordinarily simple, and it is in another way extraordinarily complex. We receive this raw sugar in the shape of brown or grey crystals, as they call them, containing a certain amount of impurities, ash, invert sugar, molasses.

Q. What is invert sugar?—A. Invert sugar is what goes on the left side of the polariscope. Crystallized sugar is what goes to the right side. Invert sugar is sugar that will not crystallize. We have to melt this, and we have to boil it again into a crystal. Now the invert sugar will not boil into a crystal. That is why we only get 93 pounds out of 100.

By Mr. Caldwell:

Q. The rest of it goes into molasses or syrup?—A. It goes into blackstrap, or whatever you call it.

Q. It is not absolute waste?—A. It is not absolute waste, but it is practically at the waste value. We melt this sugar, we strain it and filter it with various materials, which takes the dirt and muck out of it We then put it over charcoal, which takes the colour out, and we reboil it into a crystal. We centrifugal the crystal and wash the crystal and dry it and sell it. That is the process, but

it is full of chemical processes from one end to the other, and there are a great many devices for doing various parts of it, patents, and so forth.

Q. Now, Mr. Drummond, I will tell you what the Massey-Harris Company did here. They came before us with a rather pitiful tale of losses for the last two years. We said to them "Can you give us the particulars of your last ten years' operations, including the two bad years at the end." They did that, and I think perhaps it would not be unfair to ask you to do the same.—A. We have given the results of our operations before this previous meeting, for the years 1913 to 1918, I think it was.

The CHAIRMAN: So that there is no objection. Are there any more questions? My feeling is as far as the questions of costs are concerned, those might be postponed until Mr. Drummond comes before us tomorrow with his figures.

By Mr. Sales:

Q. One other point I would like to deal with; we have too many sugar factories now and we can more than furnish Canada's needs, and we have to have an export business in order to keep them going, that is your statement?—A. We have more sugar factories than we need in Canada.

Q. Therefore we have to do an export business to keep them going?—A. Yes, we have to do an export business to keep ourselves going.

Q. And you have to have a protective tariff which enables you to charge the Canadian customer more for his sugar than you otherwise would do if you did not have to do that export business?—A. Not to charge him more than we otherwise would do; for this reason, (that is a little complex) the more we do the cheaper we do it, the cheaper we do it, the more it is bound in the long run to enure to the benefit of the consumer.

Q. Agreed; if you were doing as much as you could, and it was all in the Canadian market, you could sell sugar cheaper than you are doing to-day?—A. If we were working full time, yes, sir, our costs would be down, and we could do business cheaper.

Q. And sugar would be cheaper to the Canadian consumer?—A. If we were working full time. You see that is our whole problem; that is our whole difficulty.

Q. Then because we have too many sugar factories you have to do partly an export business, you must charge the Canadian consumer more than he otherwise would pay?—A. No, sir, not from my point of view, because doing the export business enables us to do the whole business cheaper, that is the raison d'etre of an export business; we do the whole business cheaper, and the Canadian consumer gets the benefit.

Q. If we had fewer factories and you were working full time and selling your sugar in Canada you said you could sell it cheaper than you sell it now?—A. I say if we worked full time we can sell cheaper than when we are working partial time.

Q. If you were selling all that sugar to Canadian customers working full time the Canadian consumer would get his sugar for less money than he pays to-day?—A. Yes, provided we are not working to-day at as full as we can go, provided we are not working full. This is the very problem that keeps worrying us the whole time; when we get down to the point that we cannot bring our costs down within the margin that is allowed us, we are lost, and therefore we take any opportunity we can to do extra business; that is our one object. It is because we are driven, we have not any theory as to this thing, we are compelled sir, we are compelled; it is a matter of life and death to us to do all the business we can.

Q. This is the point; have we got too many industrial concerns in Canada? We have perhaps more than can supply the Canadian people's needs, you admit that?—A. More refineries.

The CHAIRMAN: You admit that in your own line of business?—A. Yes.

By Mr. Sales:

Q. If we had half the number of refineries and you could run at full time and sell all your sugar in Canada the customer would buy it for less?—A. Yes; I would say as a theory, yes.

Q. No, no, in practice?—A. I have got to work out, my point is to work out these things and to make the best of them as I can; it is very hard to say—well, naturally you can do this and that, but it does not always work out in practice.

Q. If we had another sugar refinery come in, then there would have to be more sugar exported to keep you going, if you had another large factory come into this country you would have to do some more export business?—A. If we could get it.

Q. And if you could not get it the costs would have to be passed on to the Canadian consumer?—A. Well, that might eventuate, or one of the factories might have to fail.

Q. I think I have made my point—

By Mr. Sutherland:

Q. Along that line, were the Customs Tariff eliminated and the United States Tariff remained, it would be to your advantage to do your manufacturing on the other side of the line where you would have access to the United States markets, would it not, if the Canadian Tariff was eliminated, permitting United States refiners to put their sugar in here, and you were shut out of the United States market, it would be to your advantage to be manufacturing on the other side of the line?—A. It would be; we would be put out of business of course here, because in the United States owing to conditions they can manufacture—we have got to admit it—much cheaper than we can; we cannot help it, and I do not see any means of getting round it, because of climatic conditions, because of higher costs of materials, because of scattered population over a vast territory, and so on, our prices are bound to be, our costs are bound to be higher here.

The CHAIRMAN: And we have to look forward to that in perpetuity?—A. I hope not, sir.

By Mr. McMurray:

Q. Has any sugar refinery failed in Canada to your knowledge?—A. Yes; there were originally three factories down in Nova Scotia, and two of them failed.

Q. Were they large factories?—A. Large for those days.

Q. What was their capital, do you know?—A. I could not tell you; it was a considerable time ago.

Q. About the sugar conditions at the present time; when sugar was at a high price before, apparently there was a great deal of it in this country was not there?—A. What time?

Q. In 1919 when you were paying a large price for sugar there was a vast quantity of sugar to be had?—A. 1920 was the high price year.

Q. Is it possible that that condition exists to-day, of a great quanity of sugar and high prices too?—A. I do not think so.

Q. Why would you say that, if it was possible before why would not it be possible now?—A. Because the statistics do not show it, if we can believe the statistics.

Q. You had statistics before?—A. Might I answer that question?

Q. Yes?—A. Because the statistics show this year, as far as my judgment goes—of course I make mistakes all the time—that there is over a million tons less this year than there was this time last year; that is why I consider that the price of sugar has gone up.

Q. Having a very large concern like you have, an industry like you have, you no doubt will make a very careful study of the production of sugar, the growing of it, in Cuba, Demerara, and Porto Rico, all the countries you buy from—no doubt you go down in the winter and look those fields over, do you? —A. No, sir.

Q. You make a careful study of it?—A. I make what study is possible.

Q. What study do you make?—A. Study reports, statistics, get information, every point that I can, keep in constant communication with New York by telephone, telegram, and so on.

Q. You know now that there is a great deal more sugar acreage under cultivation for instance, in Cuba, than there was in 1913?—A. Yes.

Q. Treble as much?—A. I would not say treble as much—1913, there may be double as much; I don't know; I could not tell you without referring to the statistics; Cuba has gone up, the beet product has gone down; that is what the explanation is.

Q. When price goes up there must either be a real shortage or an artificial shortage, is not that so?—A. An artificial shortage, I don't know exactly—I don't exactly get that.

Q. You have heard of an artificial shortage, have you not?—A. I don't exactly know what you mean.

Q. It is possible to hold large quantities of this stuff and keep it from the market, that would be an artificial shortage?—A. Yes.

Q. If that was done it would raise the price just the same as a real shortage?—A. Yes, that might have that effect.

Q. So that the high price might be due to actual shortage or an artificial shortage?—A. No, it is not due to an artificial shortage.

Q. Why do you say that?—A. Because we know there are a million tons approximately less sugar available between now and the end of the year than there was last year.

Q. How do you know that?—A. From the statistics.

Q. Supposing some man has it stored away?—A. You cannot store it away like that.

Q. Cannot store it away or corner it?—A. You cannot store it away in that way without people knowing, because the crops are known, what the crop is going to be, they make an estimate, they revise the estimate as they go along, and the actual figures come out; they know exactly how much has been produced, how much has been shipped, how much is in store, and so on, and therefore they know what remains to come out.

By Mr. Caldwell:

Q. How did this vast quantity accumulate in 1920 which caused the loss; if you had been the only man there would not have been a slump in prices?—A. That was a condition, I would say, that was created, what you call artificially.

By Mr. McMurray:

Q. You will admit there was a corner in that year?—A. No.

Q. What do you mean by artificial shortage?—A. What I mean is this, that during the whole of that season the government officials were going all round

talking and blathering all up and down this country and predicting a shortage of sugar, and saying the crops are going to be short, you must go on rations.

Q. You had 365 million pounds cornered up here in Canada, why did not you inform them and inform the public, why did not the refiners come out and say to the public of Canada "We have 365 million pounds of sugar on hand," that would have settled that?

By Mr. Caldwell:

Q. It might cause a drop in price.

Mr. McMURRAY: There was that danger.

WITNESS: This was going on for nearly six months or a year in advance.

By Mr. Caldwell:

Q. This accumulation of stock?—A. No, this propaganda that was being put out all over.

Q. Did not you know better when you heard this propaganda, did not you know this immense amount of sugar was being accumulated by yourself?—A. It was not immense, 350 million pounds is not quite immense; as I have shown it is three months' stock of sugar we had when the bubble collapsed.

Q. Where do you get the major portion of your raw sugar from?—A. We get it from all over, the West Indies and South America.

Q. Where do you get the large proportion of your stock—I am speaking of yourself and other refiners in Canada?—A. I will give you some of the places; I did read them out.

Q. Just give it approximately; do you get your largest supply from Cuba, or the West Indies?—A. Cuba is one of the West Indies itself.

Q. I know it is, but do not you get the largest supply from Cuba, larger than you do from any of the other groups of the West Indies?—A. No, not always, because we buy our sugar wherever we can get it cheapest.

Q. Don't you get the very large proportion of your raw sugar—?—A. We get a considerable portion in Cuba, but we get a large portion from San Domingo, from Venezuela, from Jamaica, from Barbadoes.

Q. I am done asking questions, it is a hopeless task?—A. I do not think that that is exactly fair; I am trying to give you the information that I have to the very best of my ability.

The CHAIRMAN: If you have not got it this afternoon you can give it to-morrow.

The WITNESS: Mr. Chairman, our purchases vary from year to year, and in one year we may buy more from the British West Indies, another year we may buy from San Domingo, another year we may buy from Hayti, or any other place.

Q. I think you told us that the Cuban crop and the Cuban price largely determined the price of the whole?—A. The Cuban crop is the biggest of the lot and that determines the price.

Mr. CALDWELL: That is what I wanted.

The CHAIRMAN: He stated that this morning.

The WITNESS: I based my whole argument and my statistics on the Cuban crop.

Mr. CALDWELL: I want a further question; then the preference we gave on the sugar to the West Indies last year did not affect the price to the consumer in Canada?—A. No, sir, for this reason, that the preference they add to their price, that is to say their preference under the old tariff was 85 cents, they simply added, as nearly as possible, 85 cents to their price of their goods f.o.b., you see; we were interested solely in the delivered price here.

The CHAIRMAN: And the Cuban supply being so much greater than theirs the Cuban supply determined the price and they got a little more for their goods?—A. They got practically to the extent of the preference.

By Mr. Caldwell:

Q. And the preference on the British West Indies raw sugar last year, instead of going to the benefit of the consumer in Canada, went to the benefit of the grower in the West Indies?—A. To a very large extent. That is what they thought it was for.

By Mr. Gardiner:

Q. How long have we had a tariff on sugar coming into Canada, Mr. Drummond?—A. I think ever since 1854.

Q. Under the protective tariff, you to all intents and purposes have admitted that Canada has more factories in existence than are absolutely necessary to supply the Canadian business?—A. At the present moment. We have all been disappointed in the population increasing.

Q. How much then would you figure that the protective tariff is responsible for keeping the price of sugar up to a higher point to the Canadian consumer than it should be?—A. I cannot answer that very well. I don't see how I can answer that really. The policy of protection, I don't know that we would get very far if we started to argue about that.

Q. I am trying to find out if I can what it costs the Canadian consumer annually for this protective policy?—A. Well, I don't think anybody could estimate that but presumably they thought it was worth while I suppose.

Q. Practically all the sugar that we consume in Canada is produced outside of Canada is it not?—A. No, sir, there is a beet industry in Ontario.

Q. How much is the beet sugar production do you know?—A. It has run as high as 35,000 tons a year.

Q. That would only be a very small amount of sugar in the total consumption?—A. It is a fair percentage.

By Mr. McMurray:

Q. About 20 per cent isn't it?—A. Hardly 20, no. It would be somewhere around 10 per cent.

By Mr. Gardiner:

Q. Under this protective tariff policy we have induced more refineries to start up in Canada than were actually required, and due to the fact that we have to export a good deal to keep the factories going full time, you have to sell your sugar at a lower price outside of Canada than what you do inside. That is practically the outcome of the protective policy isn't it? Inducing factories to come in to a larger capacity than we required.—A. I don't know that that is due to the protective policy or to the adventurous ideas or mistaken ideas of men in coming in. I suppose there might be even too many farmers in the country according to some ideas, if we could have too much of a good thing.

The CHAIRMAN: Mr. Drummond, we are very much obliged to you and we appreciate your whole attitude to the Committee. And we will expect to have the pleasure of seeing you in the morning. Meantime, we are getting some of your friends to tell us about their costs if they have it; of course they may not have it, but we will get them in meanwhile and we will excuse you for the time being. We hope you will get in touch with your office by telephone, and tell them what to bring up.

[Mr. H. R. Drummond.]

The WITNESS: I understand, sir, you want to get a statement of the imports since the beginning of the year, and you want to get the costs for 1923, 1922 and 1913?

The CHAIRMAN: So as to make a comparison with the last normal year before the war, and I would imagine you would need your calculation of your imports in 1922, in order to be able to establish your costs for that year.

The WITNESS: It would be difficult to calculate what we call the loss in refining, without knowing the average cost and so on. These are matters of calculation very much.

The CHAIRMAN: We know, sir, that you will bring before us figures which we can accept, and if not the exact figures, just as near as it is humanly possible to get the figures.

The WITNESS: I will see what can be done and if I cannot get it by to-morrow I will tell you. It is half-past five and I am afraid my people will have gone.

The CHAIRMAN: Perhaps you can get them by telephone, as this is an extraordinary situation. We thank you very much, sir, and we will meet you at half-past ten in the morning.

The Committee adjourned until 8.30 o'clock p.m.

(Evening evidence taken in camera.)

W. A. HOBBINS, President, Atlantic Sugar Refining Co., Montreal, Que., who was in attendance in obedience to summons Duces Tecum, was called, sworn, gave evidence in camera and retired.

The Committee adjourned until 8.30 o'clock p.m.

Evening Session

Committee resumed at 8.30 o'clock p.m.

Mr. W. A. Hobbins continued his evidence in camera.

Mr. J. W. MCCONNELL, President, St. Lawrence Sugar Refinery, Ltd., who was in attendance in obedience to summons Duces Tecum, was called, sworn, gave evidence in camera and retired.

Committee adjourned until 10 o'clock a.m. on Wednesday, May 16, 1923.

HOUSE OF COMMONS,
COMMITTEE ROOM 268,
WEDNESDAY, May 16, 1923.

The Special Committee appointed to inquire into Agricultural conditions throughout Canada met at 10 o'clock, Mr. McMaster, the Chairman, presiding.

The Committee sat in camera.

HUNTLEY R. DRUMMOND recalled and concluded his in camera evidence.

APPENDIX No. 3

DAVID R. TURNBULL called, sworn and examined in camera.

By the Chairman:

Q. What company are you connected with?—A. The Acadia Sugar Refinery Company.

Q. It has its establishment where?—A. Halifax, Nova Scotia.

Q. We have been asking the refiners to give us their costs, and we have asked them to do it in this fashion; first of all to let us have their costs for the period beginning 1st January of this year and going down to the last period for which they had their figures; some have got them for the first three months and others for the first four months?—A. Yes.

Q. And then also their costs for the whole of 1922?—A. Yes.

Balance of evidence in camera.

CHARLES H. HOUSON called, sworn and examined in camera.

By the Chairman:

Q. You come from what city, Mr. Houson?—A. Chatham, Ontario.

Q. What is your company?—A. I am President of the Dominion Sugar Company.

Q. Of Wallaceburg?—A. We have three refineries, sir, located at Wallaceburg, Chatham and Kitchener.

Q. You make sugar from what materials?—A. From beetroot; and also from the imported raw cane sugar.

Q. How is your manufacture distributed between these two sources of supply?—A. That depends from year to year upon prices. If the price is high our production from beet sugar increases.

Q. If the price of cane sugar is high, your production from beet sugar increases?—A. Yes.

Q. And if the beets go up then perhaps you will use cane sugar?—A. If the price of sugar increases then we produce more beet sugar. If the price of sugar is low, then we import more of the cane sugar.

Q. The price of cane sugar is therefore the determining factor as to whether you use beets or not?—A. It is to a certain extent.

Q. We are sitting in camera for the purpose of considering costs of production, and perhaps you will give us your costs of production. First let us say for this year down to the period at which your books afford the information, and then in fairness to yourself and the Committee, of last year, as we do not wish to take too short a period upon which to base an opinion.—A. I have not the costs for 1922 with me, but I could make them up at the hotel and hand them in later if that will be satisfactory to you. I brought with me the operating costs for this year.

Balance of evidence in camera.

JOHN W. MCCONNELL recalled and examined in camera.

By the Chairman:

Q. You were kind enough last night to say you would get us some figures from your office in Montreal, and I would be glad to know if you have been able to get them?—A. Yes sir, I have those. I apologize for being a little late; I did not get them complete until almost half past ten.

Q. It is all right; we just took some other witnesses, and no time has been lost?—A. It might be interesting for you to compare these item by item with the figures I gave you last night. It is quite enlightening in a way. Taking the first item, this is a twelve months run, the entire year 1922; wages and salaries—.

Balance of evidence in camera.

The private session here ended, and the Committee resumed in public session.

JOHN W. MCCONNELL resumed.

By the Chairman:

Q. Is the appraised value of the plant, $6,000,000 about the actual cash that was put into it?—A. Practically. It is a little more than the actual cash, because the replacement values are a little higher in market value. The appraised value is a little more than the cost. The replacement of a lot of these machines is double what it was, but our new machinery is costing us twice what it cost us six or seven years ago.

Q. Take repairs.—A. We have to write it down. We bring old machinery up to date by repairs. Sometimes we have to throw a machine out altogether after we have repaired it to the limit, and then it is a total loss. If you would permit me to do so later on, I would like to give you considerable information on the sugar situation and the cause of the rise.

Q. That is the reason I want that to be made public, and I have some information here and I am going to question you later on. You possibly will be able to bring everything out without questioning.

By Mr. Caldwell:

Q. I think you told us that you value your plant at more than the actual capital put into it, because it costs more to replace machinery now than it cost originally, but in your figures yesterday I think that was taken care of pretty well in depreciation, if you will just refer to the figures you gave us for depreciation, the figures you gave us last night.—A. Well, it is taken care of year by year, that item of depreciation.

Q. It looks as if it were put in twice and added to the cost of your buildings again. Possibly we are touching on something which you consider is closed.—A. No, you asked me the value of the plant and I gave you to-day's value.

Q. On account of replacement in cost to-day, is that not pretty well taken care of in your depreciation and a charge against operation?—A. I could not tell you really the actual amount of costs to-day without going into figures, because it has grown over so many years.

Q. That occurred to me that way.—A. The item of depreciation is necessary in order to take care of—

Q. It looks as if you were putting it on another basis.—A. No, it is not really so.

By the Chairman:

Q. I presume you, as a refiner, keep in close touch with the situation as regards your raw material, which is raw sugar that comes from Cuba and elsewhere.—A. Yes, sir. We endeavour to do so.

Q. There has been within the last few weeks a very great deal of public interest aroused concerning a more or less general rise in the price of raw

sugar, and I think that this Committee would be interested, as well as the public, to be represented in having your views as to the why's and wherefore's of this rise. You might give it to us and we would be glad to allow you to take the time required and go into whatever detail you may consider necessary in order that we might appreciate as far as we can, the real situation.—A. Mr. Chairman, I am very pleased to have the opportunity of giving this Committee all the information at my disposal to assist them in arriving at the cause for the present prices of sugar, and if you will permit me to do so, I will present a statement which I have prepared, as briefly as possible, in answer to the questions asked in your communication, requiring me to appear before the Committee. Your communication asked information under the following headings: the high price of sugar; the cause thereof; explain the relationship which exists between the sugar industry of this country and that of other countries; produce figures showing the cost of your raw material, the price you are receiving for the finished products, cost of production, distribution, et cetera. Taking the questions in order, I shall endeavour to answer as briefly as possible.

First, the high price of sugar and the cause therefor.

After examining carefully the official records of production and consumption since 1914, I am bound to say that the old law of "supply and demand" is wholly responsible for the existing prices of sugar the world over.

In 1914, the world's sugar production amounted to 18,617,986.

In 1922, the world's sugar production amounted to 17,637,728 tons. Or a total decrease in production of 980,258 tons.

By the Chairman:

Q. Where did you get those figures from? They are a little different from Willett & Grey's estimate in the weekly statistics of the Sugar Journal for April 26th. I will give you what I have and you can make your observations on it. The estimate of 1922-23 production, Willett & Grey's latest estimates, which appear in the weekly statistical Sugar Trade Journal of April 26th, has it that the total of cane and sugar beet world production is 18,212,839 tons; an estimated increase in the world production over last year of 513,182. And that estimate is almost the same as the estimate found in Foreign Crops and Markets, issued weekly by the Bureau of Agricultural Economics of the Department of Agriculture in Washington which gives it at almost the same figure, although in short tons while the other is given in long tons. Your information may be more accurate and reliable, and I will be glad to have the sources of your information?—A. I have taken the production from the annual report of the Cuban Cane Corporation and they quote Willett & Grey, and then I have an estimate from the Annual Report of the American Sugar Refiner taken at the end of the year and they give ton for ton the sugar produced in the world At the end of last year, here is the sugar production given by the American Sugar Refiner Annual Report, quoting also Willett & Grey, at the close of the year, and they give the production of each country in exact tons, and the Cuban production given in this report checks out with the actual outturn of Cuba, so I take it that this must be correct.

Q. Possibly we are not comparing exactly the same period?—A. It may be so, but here is the exact outturn. I have corrected the figure in pencil this morning because I found this later on in my search for this information. 17,637,728 was the outturn in 1922.

Q. That is practically what Willett & Grey estimate for 1921-22. Their estimate is 17,699,657 tons, which is pretty nearly the same figure.—A. The outturn is 17,637,728 tons, and I think it might be well to take that figure as

the outturn, which seems to be authentic here. That would leave the total shortage 980,258 as the total decrease in production in 1922 as against 1914.

Q. But there has been of course a decrease after 1914, and then a gradual increase within the last few years.—A. Yes, I am merely showing as I go along how that took place, Mr. Chairman.

Q. Go on then, please.—A. The results of the war brought about drastic changes in the chief sugar producing countries of Europe, namely: Germany, Austria, Russia, France and Belgium, as will be seen by the following figures. In 1914, the farming communities of Europe produced no less than 8,208,945 long tons of beets, whilst in 1922 the production totalled only 4,046,742. These figures show a decrease in the production of European beet sugar of 4,162,203 tons since 1914, or equal to 9,211,334,720 lbs. Last year Germany's production fell about 200,000 tons short of home consumption. France was short by 151,-700; Russia, 260,000 tons.

Since 1914 the consumption of sugar in the United States has gone up from 3,760,827 tons to 5,092,758; an increase of 1,331,931 tons, and the greatest part of that increase or nearly one million tons was out on last year when the per capita consumption was 103·18 lbs., this being the highest rate of consumption ever reached in the United States. This is also the highest per capita consumption of any country in the world, excepting Cuba. Since 1890 the consumption of sugar in the United States has increased from 54 lbs. per capita to 103·18 lbs. During the same period 1914 to 1922, the production of sugar within the United States and its dependencies has increased only 329,914 tons, less than one quarter of the increased consumption.

The figures having perhaps the most important bearing upon present prices are those on record for last year. During 1922 the world's total production is shown at 17,637,728. With total consumption at 17,921,100. Thus showing the consumption at 283,372 tons in excess of total production; the excess being provided from surplus supplies carried over from 1920.

The above facts with respect to last year's situation, together with the official reports from experts concerning this year's Cuban crop, which is said to be short of expectations by about 300,000 tons, would seem to furnish a fairly reasonable answer as to the cause of prices ruling to-day.

I have this telegram received only this morning in answer to an inquiry I made as to the production of the mills already closed and the number of mills yet to complete their operations. Cuba has had in operation a total of 182 mills. Of the 182 mills that have been in operation, 149 have finished grinding. Last year's outturn was 19,204,821 bags. This year's outturn 17,094,267 bags. Showing a net shortage of 2,110,550 bags. Or 301,507 tons. In other words, the mills that have finished grinding have closed up with a net shortage, as compared with the estimates for those mills on which the four million ton Cuban crop was based. It was based on an estimate from each mill and they have closed their operation 300 odd thousand tons short of those estimates.

Q. What is going to happen to the mills that have not closed yet?—A. There remains only to be said that there are 33 mills only in operation, and if those 33 mills produce their entire estimate—which not a single mill so far has done—the crop will be 300,000 odd tons short. That is the conclusion and I think probably that is the best information we have to date. With 149 mills closed, there is nothing more to be said as to their production; they are gone; they are closed; they have finished. There are 33 remaining mills and it is scarcely likely under the circumstances that their original estimate will be exceeded.

Q. That is less than ten per cent difference in the estimated output of Cuba. 300,000 is less than ten per cent of the estimated four million. Now

Cuba represents four millions out of the world's total of 18 millions. Supposing we admit that that shortage exists in Cuba, do you think that is a sufficient economic justification, without artificial interference, to double the price between January and now? I understand the price is practically double between the lowest point in January and the highest point in May, if I remember correctly? —A. Yes, the price in January was probably low. And with the visible supply scarcely more than enough to meet the estimated consumption, I would say a shortage of 300,000 tons in the Cuban crop is serious.

Q. Serious enough to jump the price up 100 per cent?—A. Well, that depends entirely on the law of supply and demand. If the demand is greater than the supply, the seller gets his price.

By Mr. Sales:

Q. And if people put in one teaspoonful of sugar in their tea instead of two, they can upset this very quickly?—A. Absolutely. Economy and saving is the answer.

By the Chairman:

Q. I can understand the difficulty of answering that question, but I will tell you how it strikes me, although I may be quite wrong. It would appear to me that a decrease of less than ten per cent in the Cuban visible supply, seems to have had more than the economic effect which we could contemplate when we find that the price of raw sugar has gone up by one hundred per cent. Let me have an expression of your opinion on that?—A. In answer to that, Mr. Chairman, may I be allowed to quote you authorities who probably could state with greater accuracy the situation; and I would like the Committee to have their opinions, because they have appeared just recently, on account of the United States Government action against the Sugar and Coffee Exchange, endeavouring to find the reason for the high price of sugar, exactly as your Committee is endeavouring to find the reason; and these men are all in important positions in the raw and refined sugar business and gave their evidence under oath. I have the quotations here.

Q. We will be glad to have them, sir.—A. Before I go to that, may I give this Committee a little information which I think not only they but the whole country should have with regard to the production of sugar itself; because there seems to be in the public mind a feeling that to get more sugar it is merely necessary for the refiner to increase his capacity and turn out more refined sugar, and let them have it at a low price. This explanation was given to the shareholders of the American Sugar Refinery at the last annual meeting by their president.

By the Chairman:

Q. When was that meeting held?—A. January last. In answer to that very question as to why the American Sugar Refinery did not occupy their surplus capacity by giving the people sugar to supply their demands, and he answered the question in this way:—

> "Several years ago we received a letter from a college professor who recalled that these annual reports continually referred to the excess refining capacity and yet the country was passing through a sugar shortage for the third year in succession. 'Why don't you use your capacity and give us sugar', was his closing observation. While disclaiming any belief that such a misconception of the sugar refining industry is current generally, a brief statement of a few fundamental facts may be of general interest."

I have taken the facts given by the president of the American Sugar Refining Company, and I have related them to the supply of sugar required for Canada; we consume approximately 400,000 tons of sugar, and this is the organization required in order to harvest the cane—

Q. 400,000 tons, is that short tons?—A. Yes—in order to harvest the cane required for 400,000 tons of raw sugar, 30,000 men at work in the fields for 150 days are required; 22,500 cane cutters; 7,500 men for hauling, weighing and general duties; 3,750 ox-carts and 30,000 trained oxen to haul the cane to the railroad; in addition over 3,000 men are required at the grinding factories or centrals, which grind the raw sugar from the cane. The tonnage of cane to produce that much sugar requires 3,625,000 tons of cane, and 927,500 ox-cart loads, or 164,000 railway car loads—

Q. You will really help us I think more when you just do not bother about your notes, and tell us what you know yourself?—A. I merely wanted to give you that information on the production of raw, because it goes to demonstrate the fact that you cannot rush in and increase the supply of sugar very quickly. It takes time to correct a situation such as where we may possibly run into a shortage.

By Mr. Sales:

Q. How quickly can it be increased?—A. I really could not answer that question.

Q. You are not acquainted with that?—A. No. Turning for a moment to the question of cause of high prices, Edward F. Diercks, the President of the New York Sugar and Coffee Exchange, in giving evidence a few days ago in this case against the Sugar Exchange, made this statement:

> "It is my opinion, based upon my familiarity with all the market conditions, that the recent advances in the price of sugar have not been due to any manipulation or concerted action of any sort, but that they have been due to anticipation of a probable limited supply to meet consumption requirements emphasized by the publication of a report of the United States Department of Commerce, which is found in the issue of 'Commerce Reports' under date of February 12th, 1923. I annex to this affidavit as a part thereof a photostat copy of the first page of this report. Whether correctly or incorrectly this report was understood by many persons interested in the sugar market as predicting a substantial shortage in sugar in 1923, and this had a natural effect in raising sugar prices.
>
> "This report of the United States Department of Commerce was widely published in the newspapers of the United States, together with more or less sensational headlines, and created in the minds of the public grave and probably well-founded apprehension of a shortage in the supply of sugar.
>
> "For example, The Journal of Commerce, a conservative and authoritative New York newspaper, under date of February 10th, 1923, contained a comment on this sugar report. The headline was as follows:
>
> "'World shortage of sugar is forecast. Deficiency for 1923 placed at 250,000 tons. Department of commerce says consumption needs are 725,000 tons above production with 476,000 tons carry-over.'
>
> "The newspaper article opened with this sentence:
>
> "'Washington, February 9th. A World sugar shortage this year of more than 250,000 tons was officially predicted to-day by the Department of Commerce.'

APPENDIX No. 3

"This report merely emphasized a general and world-wide apprehension of a sugar shortage. On April 18, 1923, as appears from the New York newspapers of the following day, the British Chancellor of the Exchequer issued a warning of the danger of a sugar shortage. The New York Times of April 19th contains an Associated Press report dated London, April 18th, in part as follows:

" 'The Chancellor expressed his belief that the rise in sugar to 30 shillings a hundredweight, or thrice the price in January, 1922, was caused entirely by the prospect of a shortage, and the slightest increase in demand might bring about a panic and send the price far higher.'

"In an editorial comment under date of April 20, 1923, the New York Times said:

" 'The high price of sugar is at present world-wide. There are complaints about it, and jokes about it, in France. In England it has been thrust into the debate on the budget, the demand of the Labor Party being that the duty on sugar be reduced. In refusing to reduce it the Chancellor of the Exchequer gave it as his belief that the extraordinary rise in the price of sugar is due to the prospect of a shortage in the supply. After referring to the disappointing Cuban crop, he said that the production of beet sugar in Europe was certain to be stimulated by the high prices, so that by the turn of the year 'there should be cheaper world sugar' . . . . . Not simply in New York, but all over the world, it has been believed by growers, importers and refiners of sugar that the supply is not equal to the demand. From that belief has sprung the rapid advance in price. This may have been somewhat heightened by speculation; but for the larger part of it the facts of the trade, as they are understood by the leaders of the trade, have been responsible.

" 'In any such upward movement it is inevitable that there should be a great deal of buying and selling which is wholly speculative. But the speculation follows the facts, or what are believed to be the facts.' "

"The Journal of Commerce in its issue of April 27, 1923, reports an interview with General Menocal, former President of Cuba, in part as follows:

" 'He also said the Government of the United States must know that the Cuban sugar crop will show a marked shortage that nobody expected at the beginning of the harvesting, and that few times in the history of Cuban sugar has it happened, as it is happening now, that most of the producers, as soon as their sugar is made, are selling it. Nobody is keeping it, he says, with speculative intent.' "

Q. That is an extraordinary thing, that when the sugar is going up they start in to sell, unless they are being pressed by something?—A. I may say they are taking advantage of what appears to be a satisfactory ruling price.

By Mr. Sales:

Q. Have you got the quotations on the option market there?—A. No, sir.

Q. For those dates?—A. No, sir, but I could supply them.

Q. It would be interesting to see what effect those statements had?—A. They vary, they are sometimes lower and sometimes higher; just now I believe the option quotations are actually lower than the f.o.b. price. The ex-President of Cuba, continuing: "The actual price of sugar that is so greatly alarming the

public and the government is a legitimate cause of the shortage of production and the increase in consumption. The price will continue as long as consumers demand sugar and are willing to pay whatever they may be asked."

John Gilmour, a member of the firm of Czarnikow-Rionda Company, the greatest sugar dealers and merchants in the world to-day, in a sworn statement gives the following evidence:

> "To those who had made a serious and careful analysis of the sugar situation earlier in the season, the rise in the price of sugar to its present level has occasioned no surprise, and this statement is made with due allowance for the unforeseen drought in Cuba which so seriously curtailed production there. That the world's consumption has been gradually increasing and overtaking production is an indisputable fact, and the time has come when there is no margin of safety between supply and demand to offset such unforeseen accidents to crops such as experienced by Cuba from drought.
>
> "Production and Consumption.
>
> "Last month we published Willett & Gray's preliminary estimates of the 1922-23 world's sugar crops. They revealed, as that eminent firm of statisticians themselves remarked, that there is very little change indicated for any of the important sugar crops of the world, particularly those of cane sugar which total practically the same as those of 1921-22. In the Continental United States, the output of beet and cane is expected to be some 335,000 long tons less than last year—on the other hand, Europe is expected, bar accidents, to increase the beet sugar output by 644,000 tong tons.
>
> "The net result of all the sugar crops is estimated by Willet & Gray as at most an increase of some 362,000 tons. Unfortunately, the world is faced by the fact that as compared with last December, the carry-over into 1923 is to be less by the huge amount of one million to one and a half million tons."

By the Chairman:

Q. That is really the milk in the cocoanut?—A. Yes.

By Mr. Sales:

Q. On what do they base that carry-over?—A. On the actual supply unsold at the end of 1921.

Q. But you see if people had been buying in advance and they got two bags of sugar instead of one, then the carry-over is still in the country, but it does not show?—A. But the consumption of 1922, the tremendously increased consumption in 1922, consumed not only the 1922 crop, but a great part of that surplus, took it right off the market, and this is what is said here.

By Mr. Caldwell:

Q. Before you go any further, you say the carry-over represents raw sugar not sold?—A. Yes.

Q. Does it represent the stocks that the refiners have on hand as well?—A. Yes, world stocks.

By Mr. Sales:

Q. Except in the hands of consumers which you cannot possibly arrive at? —A. Invisible, yes.

By the Chairman:

Q. But that is always the case?—A. Yes.

Q. And so in the calculation of that year it is not taken into consideration? —A. The known stocks is the only basis upon which comparisons can be made.

Q. As a matter of fact do private people hold large stocks of sugar for their own household consumption?—A. I do not believe it in Canada, judging from the distribution this year.

The Committee adjourned until 3.30 p.m.

Afternoon Session

3.30 p.m.

The Special Committee appointed to inquire into Agricultural Conditions throughout Canada resumed at 3.30 p.m. Mr. McMaster, the Chairman, presiding.

W. A. HOBBINS, recalled.

The CHAIRMAN: Mr. Hobbins, continuing your examination of yesterday, I have been looking up the duties charged on sugar going into Great Britain, and as I make it out there is the same duty charged on raw sugar as on refined, except for the difference which arises from the different degree of polarization or sweetness, between the raw and refined.—A. Yes, that definition is right, sir. It is a revenue duty, it is not a protective tariff. It was put into force during the war.

The CHAIRMAN: Thank you very much.

Witness retired.

J. W. MCCONNELL, recalled.

By the Chairman:

Q. Now, Mr. McConnell, I just forget the point which you had reached in your remarks, but no doubt you have not forgotten.—A. I think, sir, my papers have been upset a bit since I left, and I will have to ask the official recorder to give me the point where I left off.

Q. I am afraid the same reporter is not here, but if you have to go over a few sentences again, that does not make any difference.—A. I was just giving Willett & Gray's final estimate:

> "The net result of all the sugar crops is estimated by Willett & Gray as at most an increase of some 362,000 tons. Unfortunately, the world is faced by the fact that as compared with last December, the carry-over into 1923 is to be less by the huge amount of one million to one and a half million tons. Given therefore a maintenance only of the 1922 demand for consumption, a shortage will develop during 1923 which is bound to send the price of sugar up still higher. There are, it is true, those who argue that the 1922 consumption is not a true one, but is the result of the re-stocking of invisible supplies which had diminished during the abnormal post-war years, and that therefore 1923 will show a decreased consumption. But there is apparently little or no evidence to support this view, while the contrary is indicated by the fact that the trade distributing channels generally are not too well stocked. More probable

is it that the Old World is getting out of the restrictive groove in which the war landed it and is seeking a bigger per capita consumption, while the New World, so far as the United States is concerned, has developed a permanently increased demand for sugared drinks to take the place of the prohibited alcoholic beverages."

By the Chairman:

Q. So we will have to charge up prohibition with the increase in the price of sugar?—A. I am afraid so.

Mr. CALDWELL: The increased price through greater consumption.

By the Chairman:

Q. Increased consumption means increased demand, and if the supply remains about the same, increased demand will mean increased prices.—A. That seems correct.

"The result is that in 1923 sugar consumption will have overtaken and passed production. The producer will hence be in receipt of a much more remunerative price for his sugar, which will inter alia give him the means to enlarge his output, either by laying down more efficient machinery, or else by increasing his cane crops and milling a large output of cane.

"The above requires no comment; subsequent developments having proven the accuracy of this forecast. This authority also made the following statement in its issue of April, 1921:

"We expressed the opinion a few months ago that if sugar was as cheap as in pre-war days and other things were fairly equal, the present consumption in the world might be assumed at as much as 25,000,000 tons per annum."

By the Chairman:

Q. That is to say, if this article had remained at the same price, it would have meant a tremendously increased demand.—A. Yes, undoubtedly.

Q. Would that not be true of almost anything? If you take any one article, and say that the price shall remain the same even during an increased demand, that would apply almost in regard to anything.—A. I think the per capita increase in sugar is probably greater than any other article of food. I will give you that from this book:

"In full realization of the fact that there would be a supply barely sufficient to meet the world's actual needs, foreign buyers entered the American market for Cuban sugars early in the year, and the prices those buyers were willing to pay were frequently in excess of what American buyers would pay, to the extent of the freight that it would cost producers to transport sugar from Cuba to the United States. Foreign purchasers of Cubas are variously estimated at between 350/450,-000 tons, a quantity that can hardly be spared to go away from the United States markets. It was simply a matter of price, and producers, as a whole, parted with sugar to any buyers that were ready and willing to absorb it at the time. Foreign buying was invariably in advance of interest shown by the American refiners, who would have received the preference had they then exhibited the inclination to meet foreign competition."

Here is a statement bearing upon the New York Sugar Exchange, and the result—adverse or otherwise—of speculative operations, of which you gentle-

men particularly asked yesterday, and it may give you some information on that point.

> "The New York Coffee and Sugar Exchange proved to be a true reflection of the consensus of opinion in regard to the strength of the sugar situation, and the advance in price there was the result of the conclusion reached by sugar people the world over that a condition was developing which was rapidly tending toward a scarcity of the article. To state that these 'future' operations were simply a matter of paper speculation is entirely to try to cloud the question, for the largest sellers at all times were those who represented actual producers."

By Mr. Sales:

Q. Who writes that?—A. This is a member of the firm of Czarnikow-Rionda Company, a very well known sugar authority. His name is John Gilmour; he has been in the sugar business for over thirty years and he states on oath here:

> "I have been in the sugar business for upwards of thirty years. The said Czarnikow-Rionda Company is a large sugar merchant and sugar brokerage house in New York and represents both producers and refiners of sugar, and I keep myself thoroughly posted with respect to the sugar market and world conditions affecting sugar and especially the conditions in Cuba."

By the Chairman:

Q. This collection of information, what is it that you have before you? It is a little pamphlet of some sort, is it not?—A. It is the evidence, the defensive evidence produced by all those who were interested in raw sugar, in connection with the action of the United States Government against the Sugar Exchange.

Q. It is the defence, really, of the sugar people who were brought before what court?—A. The District Court of the United States, for the southern district of New York.

Q. What is the date, please?—A. There does not appear to be any date, but this decision only came out last week.

Q. So that comes to us pretty recently. Did you get hold of the evidence on the other side, the charges made?—A. No, I have not the evidence.

Mr. CALDWELL: Mr. Chairman, we are more interested in knowing whether Mr.McConnell has the evidence as given on both sides. You can take the evidence that was given for one side, but we would like to know what was said on the other side.

WITNESS: As far as I understand it, the Government had no evidence. They summoned those people to answer to charges of putting the price of sugar up.

By the Chairman:

Q. I think the trial court found in favour of the sugar people, and the Attorney General of the United States, Mr. Doherty, took the case to the Supreme Court, and asked the Supreme Court to hold a special session for the purpose of hearing the case, and I understand that that appeal has not been tried yet. That is my impression.—A. Nevertheless, Mr. Chairman, this is good information for your Committee, because those people are noted authorities on the sugar situation the world over, and they are making statements from records and statistics, and they submitted them, and under oath.

Q. I suppose, anyway, that the United States Government, before taking these somewhat drastic steps, had some information to the contrary effect before they moved. I am not judging the case as to whether there are rights or wrongs in it, for I would have to have a little more information than I have before me, to make up my mind; but I just suggest to you that it does seem likely that the United States Government would not have acted unless they had some statements before them to the effect that there had been some irregularity in the increase in price, because I understood that the attitude of the United States Government was that there had been some manipulation or some artificial enhancement of price, and what you are giving us now is taken from the brief of evidence produced to offset that charge,

By Mr. Caldwell:

Q. Was it not more or less in response to public opinion that the Government took action?

By Mr. Sales:

Q. Who compiled this little pamphlet——A. It is the evidence given in court.

Q. Is it extracts from the evidence?—A. No, it is the entire evidence—the entire defence of evidence produced.

By the Chairman:

Q. May I just look at that little book a moment?

By Mr. Caldwell:

Q. The entire defensive evidence, not the evidence in the inquiry?—A. Yes, because these were the only people brought in.

Mr. CALDWELL: We are considering a situation, Mr. Chairman, and we should not put in the record the evidence on only one side of the case. We want the perspective, and we should have the other side.

The CHAIRMAN: Mr. McConnell was asked to give us his opinion as to whether there was a real or artificial shortage. As a sugar man, he gave us as his opinion that the scarcity was a real scarcity, and he has given us the opinion of sugar people in the United States supporting that view. Of course, he has not gone to an entirely disinterested source for his information, because he is extracting what he says from a printed copy produced in a District Court of the United States for the Southern District of New York, in a case instituting the United States of America, petitioner, against the New York Coffee and Sugar Exchange, Incorporated; the New York Coffee and Sugar Clearing Association, Inc., and others, defendants, and the little book is entitled, "Defendant's Answering Affidavits. VanVorst, Marshall & Smith, Solicitors for Defendants, 25 Broad Street, New York."
"John W. Davis and William Smith, Counsel."

I am going to ask the secretary to be good enough to endeavour to obtain for the Committee the affidavits to which these affidavits are answers. It is well that both sides of the case should be placed before the Committee.

Mr. CALDWELL: I was going to suggest that if we could procure copies of that for the members of the Committee—I imagine there is a statement of questions and answers.

The CHAIRMAN: No. They just proceeded as we do sometimes in court, by filing affidavits and counter affidavits, and these that we have here are counter affidavits filed by the sugar people. I think that it is quite proper that Mr. McConnell should take from these the views of well-known experts to support his own view.

The WITNESS: I am practically finished.

Q. Of course, it is only right that we should know that they are extracted from the defendant's pleading in the case.—A. My answer to that would be that had I been seeking for reliable information to go before this Committee, I would have gone to these men who have made this statement—who have made this statement under oath. It could not be more reliable, because they must have looked and carefully made up their minds before they came in and stated what they did under oath.

Q. I trust, sir, that for the sake of their moral character and integrity, that that is what those gentlemen did do.—A. I have very little to quote here. I was on the question of the exchange. Are you interested in going any further into the speculative market? Do you want to hear what they say?

By the Chairman:

Q. Yes, I think so.

By Mr. Sales:

Q. I would like to know something about the option market and the trend of that.—A. The option market to-day is actually nothing more than an actual sugar report.

Q. I want the communication of the report on that option market at that time, where everybody who had a little money, and thought that sugar was going up, stepped in.—A. If I might give you one or two words on the effect of the report on the option market—I would like to say that the first drastic rise in sugar took place as a result of the publication of the report signed by the Department of Trade and Commerce of the United States on the 12th of February. It was broadcasted throughout every paper in the country, and it stated that the supply of sugar would scarcely more than meet the demand, and there might be a visible shortage.

By Mr. Caldwell:

Q. Was that an official report or a premature report?—A. It was a premature report, whether it was official or not.

By Mr. Sales:

Q. As a producer myself, of wheat, I have always been of the opinion that the collection by banks or other institutions, of reports of large crops in this country, and their publication, tends to help the consumer. Here is a shortage and everybody gets in, and where there is a surplus, everybody gets out.

Mr. HAMMELL: You want your business to be secret too.

Mr. SALES: No, I do not want it to be secret.

The WITNESS: Before that report was published -one or two days before that government report was published—sugar was 3¾ cents. The report came out, as I remember it on Saturday morning. Saturday morning is usually a closed day for the sugar market, and therefore there is little doing. The Monday following was a holiday. It was some sort of a public holiday in the United States.

By the Chairman:

Q. Washington's Birthday?—A. I was a sugar buyer, and was anxious to buy it, but had been advised from all the best sources, both on this side and the other side, to keep out of the market until it went from 3¾ to 3 cents, and then to buy all I could finance, or all the banks would lend us the money to buy. I waited hoping it would come down, and I was advised to that effect;

but this report was published on the Saturday, and was spread the length and breadth of the United States. One hundred and ten millions of people feasted on that report, and talked about the shortage of sugar over the weekend. Monday, being a holiday, they had nothing to do but still read the report and think that they had better get some. On the Tuesday morning following that publication and its being broadcasted all over the United States, out came Guma-Mejer's report, to tell the people on top of that report that had been broadcasted, that the Cuban crop was 300,000 tons short, and that was the reason sugar went up 2 cents on Tuesday. It went up from $3.75 to $5.50.

Q. Are you inferring that of the 110,000,000 people, lots of them would be wiring in orders to buy sugar?—A. I believe so.

Q. People who do not deal in sugar?—A. I believe that people who did deal in sugar bought from the refineries.

Q. And people who did not deal in sugar?—A. I think the orders came largely from people who dealt in sugar, from the information I could get from merchants and dealers all over the country not being able to get what they wanted to get from the refineries, and they probably used the option market.

Q. What relation would there be between the option market and the cash market?—A. They are practically the same. There was very little sold between $3.75 and $5.50 during the 48 hours. The sellers on that option market in all probability represented the producers of the sugar, and were selling actual sugar to those who used the option market as a medium. I suppose that hundreds of thousands of tons of raw sugar actually owned by growers was sold on that option market.

Q. To what extent do you use the option market yourself?—A. I do not use it at all, because it does not suit us in Montreal.

Q. You do not even seek to protect yourself by hedging?—A. No. I merely wanted to make that statement about the causes for the drastic rise in sugar at that time.

By the Chairman:

Q. That is interesting, and I understand that you yourself were waiting for a drop, and you were waiting patiently and expectantly for a further drop, and holding off your buying?—A. I was.

Q. In that expectation?—A. Yes.

Q. And you did that on the best professional advice you could get?—A. Yes, sir, and the people who got the greatest surprise were the people who had the largest interest in raw sugar.

Q. I suppose success as a refiner depends as much about having the real flare for when it is a proper time to buy, as anything.—A. I think, sir, that you will probably arrive at that conclusion when you see what the refiners' profits amount to.

Q. Sometimes they tell us that the flour men make their profits on buying wheat right. Do you think that is so?—A. Well, I am afraid I could not answer that question.

Q. There is no question about sugar—a great deal depends on buying.—A. Oh, yes, a great deal depends on getting in at the proper price on the market. If you miss a market, you may be compelled to sell your sugar at a loss if you intend to compete and keep your refinery going.

Q. Have you given us all that you have to say?—A. I was on this question of exchange:

> "Many manufacturers and dealers who realized the strength of the situation also placed buying orders, they being unable to contract with

refiners for the delivery of refined sugar for the more distant future, when it would be required for their manufacturing needs to fulfil contracts for preserved fruits, candy, soft drinks, and many other things in which sugar is used.

That only a small quantity of sugar is actually delivered against contracts is true, but this only states half the case. Buyers protect future needs by buying contracts in the future market, and when the month of delivery arrives they sell the contracts and buy the refined."

WITNESS: That is the way it operates.

"The London and Hambourg exchanges, before the war, rarely received notices of delivery, although millions of tons were continuously dealt in there by buyers and sellers of all kinds in all quarters of the globe. Operations of this kind are customary in all commodities, and are so well known throughout the world that to deny their legitimacy and economic value is to deny the existence of economic truth. Sugar to-day is suffering from the result of the financial collapse of 1920 in this country and in Cuba, which caused such abject distress to practically all interests. The Cuban government in 1921 attempted to alleviate the distress of its people by a control of its crop, but the financial situation had not been straightened out sufficiently to afford the necessary relief. Then came 1922, with Cuba selling sugar at prices which showed a terrific loss to the producers, who, owing to lack of cash and credit, sacrificed their production at prices so much below cost that many experienced the dread experience of failure. How could it be expected in times like those that the necessary new planting of cane would be made, as well as replacements and additions to factories?"

Q. Who gave this comment?—A. Mr. John Gilmour, of New York.

"The effect is being experienced to-day in that there is no reserve or surplus cane to be ground in sugar, and mills are forced to close with short crops in most cases."

The WITNESS: That is confirmed by this telegram stating that already 149 mills are actually closed, with a shortage of 300,000 tons of sugar.

"To deny the seriousness of the situation is to store up trouble for future, for there appears to-day no great reserve of sugar as heretofore, and the world must face a situation in 1923 when sufficient sugar to go around will only be had by the refusal of the people to be stampeded into buying more than they need for their actual requirements."

He quotes Mr. Guma-Mejer, who made the report substantiating the report made by the Federal Government at Ottawa. According to their statistics, the situation is as follows:—

	1922 Tons	1923 Tons
Receipts to March 31	1,648,316	2,152,729
Produced and to be produced to end of crop	2,348,071	1,517,271
Crop	3,996,387	3,670,000

Nearly 326,000 tons less than last year, and if to this we add the carry-overs from the 1921 crop of about 1,200,000 tons, we find a deficit in supply of something like 1,526,000 tons.

I merely want to give you the statistics of the increased consumption in the United States, which has a considerable bearing naturally on the price of

sugar, because consumption cannot go far beyond production without putting prices up. In 1918 the consumption of sugar in the United States was 73.36 pounds per capita. That is only five years ago, 73.36. The consumption was 291,000 tons per month. In 1922, the year just closed, 103,818, or nearly 103 1/5 pounds per capita, or 424,000 tons per month for the entire year, the increase last year being nearly a million tons in the consumption.

By Mr. Milne:

Q. Have you got the consumption intervening?—A. Yes, sir. I will give it you by the month. The consumption per month in 1919 was 339,000 tons; in 1920, 340,000 tons; in 1921, 342,000 tons; in 1922, 424,000 tons, the enormous jump being last year.

By Mr. Sales:

Q. Do you attribute that the enormous jump to the lowering prices?—A. I would think that would have some bearing on it, as well as the increased demand for soft drinks and all that sort of thing.

Q. There is a paragraph you read; I wish you would go back to it, "by the restriction of cash and credit" as to its effect upon the production.—A. After that slump there was a teriffic financial crisis took place in Cuba. We have an authority here who can give you much better information on that than I, but it is naturally very difficult to get credit.

Q. What is the paragraph?—A. Then came 1922, with Cuba selling sugar at prices which showed a terrific loss to the producers, who, owing to lack of cash and credit, sacrificed their production at prices so much below cost, that many experienced a failure.

By Mr. Milne:

Q. What would that extremely low price be? Have you any idea?—A. The low price reached, I believe, was about $1\frac{3}{4}$ cents f.o.b. Cuba in the early part of 1921.

By Mr. Caldwell:

Q. You say due to lack of cash and credit. That is on the part of the producer in Cuba. Could they not borrow on their product and carry it and bring about a better price?—A. I think that would be probably better stated by stating a lack of demand. England would not buy because it was well known there were practically 1,000,000 tons of distressed sugar in Cuba and they could not sell it, and a man who has a commodity must sell it to get rid of it; otherwise it will go to waste.

Q. Is cane a product that can be stored and carried over?—A. It depreciates.

Q. After it is ground?—A. Yes, it depreciates considerably. Cuban growers who, owing to their own bad judgment, if I might put it that way, in the fall of—may I read this, which is rather enlightening on that point? You say this was a great hardship to the Cuban producer, but how about this side of the situation: "the Planters' Association of Cuba, according to statements made by its secretary, will hold back 1,200,000 bags of sugar for 30 cents per pound."

By the Chairman:

Q. It was greed over-reaching itself.—A. Cuba delivered sugar would come to 30 cents.

By Mr. Sales:

Q. It is possible to hold it back?—A. I should say so, but it is very undesirable. We found to our regret and loss that our sugar, which we were bound

to carry over, as a result of Government control, from the summer and autumn of 1920, depreciated considerably by the spring of 1921, and we were compelled to take a loss from shrinkage and deterioration as well as a loss in price, but the Cubans staked their judgment against the judgment of the world and held their sugar. They let Java come in and take the market away from them, and the Dutchman sold the American 500,000 tons of detached sugar and the Cubans held theirs back, and they took 20 cents a pound out of New York for it, and I think the American sugar refiner bought largely Java sugar, because the Cubans wanted higher prices. Something always happens to bring prices down when they get too high. The Dutchman saw the turn of the market in time, and he wanted American gold for his product, and he sold it as long as he could get a market for it, down to 18 cents, until he landed the Americans with 500,000 tons. "About the middle of June the American Sugar Refining Company threw a bomb into the ranks of local speculators and headquarters of foreign sugars when it was announced that it would contract to sell granulated sugar from now until December at 22½ cents a pound. This offer was criticized by dealers in New Orleans, as an alleged attempt to depress the market.

By Mr. Sales:

Q. How many sugar exchanges are there in the world?—A. I do not know about the European exchanges now, since the war, whether they have all been opened or not. There was an exchange in Liverpool and one or two in Germany before the war.

Q. One in Liverpool, New York and Germany?—A. Yes.

Q. If you cannot find it, do not waste any time.

The CHAIRMAN: Do not bother, because Mr. Sales does not consider it vital.

The WITNESS: London and Hamburg are the two points.

The CHAIRMAN: Are there any more questions to ask Mr. McConnell before we excuse him?

The WITNESS: I have these other questions to answer. This has been on the production and the price. The other question "explain the relationship which exists between the sugar industry of this country and that of other countries." I might just endeavour briefly to give you what I think of on that. The only relationship is that of our absolute dependence upon other producing countries for our supply of raws. The farmers of Canada have thus far been unable to produce more than five per cent or six per cent of the total sugar consumed in Canada, despite the fact of substantial protection and encouragement extended to the industry by the Dominion Government, and the persistent and unrelenting efforts of our worthy competitors, the Dominion Sugar Refining Company of Chatham, Ontario, to encourage the farmer in the increased production of sugar beet. Some years ago the Government of Canada granted a preference to the growers of sugar within the British West India Islands amounting to —— per hundred pounds. As a result of this preference,the B. W. I. Sugar Corporation found an excellent market in Canada, and Canada also found a very desirable source of supply, most of the B. W. I. crop being sought by refiners. In 1919, however, England granted a much more favourable preference to the B. W. I.'S, equal approximately 4/- per one hundred weight, and this was followed a little later by a further increase in the Canadian preference, which now stands at 85 cents per one hundred pounds. The English market, however, appears to be more attractive to the B. W. I. grower, and consequently this source of supply has been largely lost to Canada. England buys the majority of the sugar, because the preference is still initiated in its favour.

By Mr. Caldwell:

Q. Is that still true since the last preference given to England?—A. Yes. England is a large market now, since the war, because they seek sugars on this side.

By the Chairman:

Q. I presume the West Indies get a good many commodities from the Old Country and they should be able to handle cargoes in that way?—A. Yes.

England consumes about 1,600,000 tons of sugar per annum, all but 10,000 tons of which must be imported. Prior to the war this demand was chiefly supplied by Germany, but since 1914, England has been compelled to draw her supplies heavily from this side of the water, and principally from Cuba. The fact is that in whatever market we seek to buy raw sugars to-day, we invariably come into competition with England, whether it be Cuba, in Santa Domingo, or in the British West Indies.

The insistent demand from Europe for Raws during the past few months and the amount of sugar already sold for export abroad, has narrowed considerably the available supply for the United States and Canada, and naturally stiffens prices.

Over these prices Canadian Refiners have no control or influence whatever, and from a refiner's point of view nothing would be so welcome as a reduction to the old pre-war level of around 2½ cents. At low prices the refiner sells more sugar, takes less risk and requires only one-third the capital to finance the enterprise.

Then why should the refiner favour high prices? He does nothing of the sort. High prices operate entirely to the disadvantage of the refiner. However, as already clearly stated, the Canadian refiner can in no possible way control the price of raw sugar. The control of these prices rests absolutely in the hands of the producer in other countries, who in turn is governed by the law of supply and demand.

That is only my own opinion, Mr. Chairman, but I think it is reasonable. The next question is:

3. Produce figures showing the cost of your raw material.

I have furnished the Committee all my figures, and in addition to what I have given the Committee in the way of giving the costs, I would like to be permitted to read the market prices of sugar, because our costs probably are a little out of line with the market prices, and the market prices have more of a bearing upon the selling prices. I have here some telegrams which are the only offerings I could get on raw sugar. The first is a telegram dated May 14th, 1923, from Farr & Company, New York:

> "St. Lawrence Sugar Refineries, Ltd.,
> Montreal.
>
> We offer firm, reply here eleven a.m. to-morrow morning account West India Sugar Finance Corporation, thirty-five hundred tons San Domingoes six sixty CIF Montreal May shipment."

That is equivalent to 6.40 Cuba, by adjusting the freight rate. We take 6.40 Cuba and add 25 cents for freight and cartage at this end. Five cents added to the San Domingo price brings it to about six sixty-five, being the equivalent at Montreal of 6.40 Cuba. The same firm offered 5,000 tons Cubas, at 6.50 f.o.b. June shipment. On the same date the Sugar Sales Corporation offered 5,000 tons Cubas at 6.40 f.o.b. first half June loading. That corporation deals for a large number of producers.

The most conservative offer comes from the Czarnikow-Rionda Company, who are the largest of all the operators, and this is what they say:

"St. Lawrence Sugar Refineries, Ltd.
Montreal.

Firm reply to-day five thousand tons six-thirty f.o.b. June shipment. While market here is six one quarter cost freight Cuba is unwilling seller and not offer below six-thirty f.o.b."

So that the f.o.b. price Cuba was a little bit higher than New York prices at that moment. That strengthened the price because of European buying. They buy raws f.o.b. Cuba, and all this year the price f.o.b. has been ruling as high or higher than the price f.o.b. at New York, showing the intense demand from Europe for sugar f.o.b. On top of that I have a later list from our own New York office:

"NEW YORK, May 14

St. Lawrence Sugar Refiners, Ltd.
Montreal.

Chile bought cargo three thousand tons Cubas June loading six fifty f.o.b. American export refined second hand offerings here May seven thirty five, June seven fifty-five.

St. Lawrence Sugar Refiners, Ltd."

That was an actual sale on the day on which I made these inquiries. So that the market closed at $6.50 that day by reason of the purchase from the Chilean Government. I have taken the lowest ruling prices, and these quotations established the lowest ruling price for raws f.o.b. Cuba to-day at $6.30 per 100 pounds.

To this must be added 13 cents to cover New York exchange, 27½ cents for freight, cartage and handling, and $1.29 for duty at the recently reduced rate. This gives a laid down duty paid price of 8 cents for raw sugar before being touched by the refiner. If it is $6.50, it is 20 cents more. That establishes definitely that raw sugar could be purchased on some days based on eight cents at the reduced duty at Montreal, before being touched by the refiner.

The next question is:

4. The price you are receiving for the finished product.

I have already answered that.

The next question is:

5. Costs of production and distribution including the spreads between the manufacturer and the ultimate consumer.

Our cost of refining is submitted in a private memorandum to the Chairman of this Special Committee, as I think you will agree that individual refining costs are strictly private matters and should be treated accordingly.

In arriving at refining costs to-day as compared with pre-war costs, it might be of interest to point out the enormously increased cost of nearly every commodity entering into the process of refining and marketing sugar. For instance wages have increased practically 60 per cent, filter materials 84 per cent, chemicals 104.56 per cent, containers 133 per cent and coal 160 per cent. The cost of raw sugar itself has increased from 2½ cents to 6½ cents, an increase of 150 per cent. If you take the percentage of the whole cost, it would be about 250 per cent. A one hundred per cent increase would make it 5 cents, but another cent and a half on the 2½ makes it a 160 per cent advance over the original price, that is, the selling price of refined sugar, notwithstanding the

fact that raw sugar had increased 160 per cent and all the materials that enter into the manufacture of sugar have enormously increased, nevertheless the net advance on refined sugar is equal to about 132 per cent.

By the Chairman:

Q. The spread to the consumer is hardly as much as that. I have here the retail prices of sugar in Ottawa by weeks, from January 1st to May 15th, 1923. The price starts on January 5th at 9 cents, and ends up on May 10th at 12½ cents. I think we ought to put that into the record.—A. Included in that advance in the market on refined sugar must be taken also the increased duty. The pre-war rate of duty was about one-half what we are paying under protection, so that we are absorbing the additional 70 cents per hundred pounds of duty practically.

Under these conditions, is it right or reasonable to expect the refiners to produce cheap sugar, or is it fair to hold the refiners responsible for the price? That is the question.

Q. That is the question which you leave to the Committee?—A. Yes, sir.

Q. If you go on, we will be inclined to think that you want us to give you a bonus.—A. That is what we are working for, Mr. Chairman; we need it badly.

The market price of raws from day to day is the only safe figure upon which to base a selling price of refined sugar. We learned that lesson to our great loss in 1920.

To-day as a matter of fact, if based upon replacement cost of raws, refined prices would be higher, and if something does not happen soon either to bring down the price of raws or to enable us to secure export business in order to operate the plant at something near capacity instead of 40 per cent of capacity and less, which has been the case all this year, the price of refined sugar must inevitably go higher.

The refiner must on the year's average secure a margin of profit between the cost and the net selling price, and if this Committee will be kind enough to examine the balance sheet of the Canadian Refiners for a few years past, which are available in the Department of Finance, they will be able to satisfy themselves that the margin of profit realized has been very small indeed.

Q. Let me break in here with a question. Is that not due to the fact that you have developed in Canada a refining industry with a capacity more than twice as big as is necessary to take care of our domestic consumption?—A. In answer to that question, I can only say that if I could operate to the capacity of my plant, I could produce sugar much cheaper. I am not responsble for the increased capacity of the sugar refining plants.

Q. I am not attempting to apportion either praise or blame. I am just trying to get at the facts. From our investigations it would appear to be so—you will correct me if I am mistaken—that there is a refining capacity in Canada to provide for at least twice as much as the Canadian market can absorb. Am I right?—A. I believe that is a correct statement.

Q. That being the fact, unless you are able to find an export market for whatever the amount of your potential output may be, you have to carry on business employing a smaller proportion of your available capacity, and in that way increasing your costs of operation a great deal higher, or at a higher figure than they otherwise would be; that is right, is it not?—A. That is unfortunately the situation to-day.

Q. The refiners find themselves face to face with this situation, that they have to find a constant export market, or that we have to get into this country about twice as many people as we have now, or you have to cut down the capacity of the aggregate of the refineries?—A. That is the case, Mr. Chairman.

[Mr. J. W. McConnell.]

Mr. HAMMELL: Or eat twice as much sugar.

Mr. SALES: Or pay them a larger profit to keep them in business.

WITNESS: That situation arises not infrequently in a country which is developing, and which for some reason or other has not gone ahead in population as much as was anticipated. For instance, ten years ago in the United States the refiners were faced with the same difficulties we are faced with, an immense capacity, but the consumption was much smaller. The capacity of the refineries was practically what it is to-day, but in ten years' time the consumption of sugar by the public has increased, and the increase in population has been such that in ten years' time, from the statistics, the capacity of the country has gone up about two million tons, an enormous increase. Last year the increase alone was practically enough to run the plants at their fullest capacity, a million tons a year.

By Mr. Sales:

Q. When did the large increase in the Canadian capacity take place?—A. The new refinery came into the market.

Q. Which is the new refinery?

The CHAIRMAN: The Atlantic was the last and the Acadia the one before.

The WITNESS: The last refinery was completed and operating in 1913, I think.

The CHAIRMAN: I think one was 1915 and the other 1913.

The WITNESS: The other refineries were operating for a long time.

By the Chairman:

Q. Yours has been in operation for 45 years and Mr. Drummond's for 69 years.—A. My refinery, strangely enough, was established in the year that I was born, and if something does not happen to relieve a Government measure that has recently taken place, I think that I may outlive it.

Q. Well, sir, we only hope that under your able direction it will present in a little while the same appearance of health and vigour that its President has.

Mr. SALES: You will note, Mr. Chairman, that the "blue ruin" stories are not confined to the agriculturists..

The WITNESS: No, sir, you are quite right. If you will permit me, I will be through in a few moments, but I would like in closing to give you some information that I think you ought to have on the facts regarding what happened to the sugar industry in 1920.

Mr. SALES: If you find it is as hard to make people believe your stories of blue ruin as we do, I pity you.

The WITNESS: I have a great deal of sympathy for the farmers and the agriculturists; I know how hard they have to work. I was pointing out the fact that the profits have been small and that this Committee might avail themselves of the opportunity of examining the statements, which would show a small profit. They may also be able to form some idea as to the length of time that may be required for the sugar refining companies to recover from the effects of the colossal losses suffered by them as the direct result of Government control of the sugar industry during 1920 which losses are shown in the balance sheets of 1920 and 1921.

By Mr. Sales:

Q. How did you carry your losses, Mr. McConnell, how did you meet it?—A. I don't know whether it is a wise statement in view of my commitments to the bank, to refer to it publicly.

Q. What I am getting at is this; you had a considerable reserve.

The CHAIRMAN: We will not press you to give the exact amount.

The WITNESS: I can only say in answer to that very reasonable question that my losses were about equal to my entire liquid assets plus the entire value of the plant. I had practically nothing left at the end of 1920, and had to start over again. I was able to secure loans by private guarantees and by pledging the plant which was there available to be pledged.

By Mr. Sales:

Q. You had to do the same as we did, you had to mortgage your plant?—A. I had to arrange private guarantees and provide collateral for the entire enterprise, in order to be able to carry on.

Q. We will not press you for the figures.—A. This is what I would like to say on that point, because I would like to show clearly to this Committee exactly what happened. During 1920 sugar was controlled by two Boards: the Canadian Trade Commission, and the Board of Commerce; export licenses being in the control of the Canadian Trade Commission and the fixation of prices and the examination of costs being under the jurisdiction of the Board of Commerce. We were ordered by the Board of Commerce during the time that raw sugar was rising, to sell refined sugar not on a basis of replacement cost of raw, but on a basis of actual cost of raw. At that time it was absolutely necessary, indeed we were urged, to buy raw sugars many months ahead of actual refinement.

By the Chairman:

Q. Now who urged you?—A. The two Boards that were controlling sugar.

Q. Tell us how they urged you; did they say, You have got to buy or we will take down the tariff if you don't buy, or what did they say to you?—A. They first estimated the consumption of the country; they divided it into six and they gave each refiner his part, and they told each refiner that he must provide that sugar month by month for the entire year; and the only fear that I had during that year was that I would be disgraced by falling short and not being able to find enough sugar to supply my proportion, because we unfortunately took the instructions received from those Boards seriously, and we believed they had authority to act and control us, and we took them just as seriously as we took orders from the Government during the war, because we considered that we were still to a large extent working under the War Measures Act and as a matter of fact we were; it was under the authority of the War Measures Act that those Boards were established, and therefore we, as I say, unfortunately took their orders seriously, and followed them out to the letter of the law, believing they had the authority to do what they told us they would do.

Q. What did they tell you they would do?—A. Well I will finish by saying we were urged to buy. It was a little more than that; we were actually instructed from day to day to buy sugar to fill in, lest we should be short before the end of the year. We did so, to co-operate with the Trade Commission, to make sure of the sugar supply. It must also be remembered that sane business methods compel the selling at replacement costs, and not at actual costs. For the simple reason that when prices begin to decline, as they are sure to do, it is impossible to sell on any other than a replacement basis, as the public stop buying; they won't take it, as we experienced; we could not sell our sugar at all when the decline came, and we carried it for eight months before we got rid of it.

By Mr. Sutherland:

Q. What two Boards are you referring to Mr. McConnell?—A. The Board of Commerce, the Chairman of which was F. W. or W. F. O'Connor; and the Canadian Trade Commission which was managed by Mr. Fairbairn of Toronto.

By Mr. Caldwell:

Q. Did they promise to protect you in the price if you had followed their orders? –A. We followed the orders of the Board and were given clearly to understand by the Board that when the market for raw sugars would be falling, the same rule would apply and we would be permitted to sell on the basis of actual cost. They stated clearly that it would be their duty to protect us, and besides to do otherwise would be an absolute injustice. What actually happened was that the Board undertook, honestly undertook to carry out this plain justice to us, but the Government of the day under Mr. Meighen, overruled the Board, and consequently we were denied the slightest protection on a falling market. This would have been all right, if we had been left in the same position as refiners in other countries during the rising market, and allowed to sell on a replacement value, but the trouble was we were not, and the consequence was that the earnings of years, and indeed of tens of years, were swept away. It really meant, in effect, that the consuming public of Canada got millions of dollars of capital that had been honestly invested in the sugar industry. A greater injustice could scarcely be conceived, and it will be years before these immense losses can be made up, if indeed they can ever be made up.

Q. Then your losses were not made through the ordinary methods of doing business, but were due to this situation that you describe?—A. Absolutely, and I can truthfully say it is doubtful if the sugar industry will ever recover. And that is the way the sugar refiners were treated by the late Government.

In contrast to the methods adopted by our Government in 1920, in a difficult situation, where an effort was being made and was made, to find sugar for the people of this country, may I point out the difference between the methods and tatics observed in Canada and those observed in England? In England the sugar refineries were taken over by the Government. The sugar refining companies were allocated sugar, which was purchased for them by the Government. The price was fixed, and they were allowed to make a fair margin of profit. Indeed, a sugar refiner told me that the only continued business success he had had was under the Government control of sugar where for four or five years he made a nice safe margin of profit, which he was allowed by law to make, and the Government became responsible. Now then were we the only people in the world that made a mistake in paying too much for sugar? Or did the British Government, with the best advice in the world at their disposal, make a mistake? The British buyers—I think it will be conceded—are probably the shrewdest buyers in the world, because the world markets are open to them.

The CHAIRMAN: Yes, that is the reason.

The WITNESS: The world's markets are open to them. But here is what happened; at the close of 1920, when they wound up their sugar control at about the same time that we saw the end of our losses in this country, and shouldered them all personally, the Government standing from under and letting us take the entire loss—the British Government in the report of April 21st winds up the Royal Sugar Commission.

By the Chairman:

Q. April of 1921?—A. April 21st, 1921; the report of the Royal Commission on the sugar supply shows a loss of 24½ million pounds sterling; or be-

tween 90 and 100 million dollars for the year ending March, 1921. That was what happened in England. The English consumer had the advantage of the sugar when it was cheap; and the English consumer paid the loss when it was high, because they had to pay it in cash.

Q. They had to pay it through their Government?—A. Yes.

By Mr. Sales:

Q. What was the spread allowed you between the raw and refined by the late Government?—A. I did not quite catch that.

Q. The spread between the raw and the refined?—A. What was allowed us?

Q. Yes.—A. We were allowed by law two-fifths of a cent a pound profit. That is the way it was arrived at.

By the Chairman:

Q. That was a fair profit?—A. We had no complaint during the war. When we were under the Food Control Board, because we were given our sugar at a price, and the price was fixed, and we were allocated month by month for the entire year, the amount of sugar. It was allocated the world over, so there was no speculation about it.

By Mr. Sales:

Q. Two-fifths of a cent on the large volume of business, would amount to a fair sum?—A. But excuse me, sir, the volume was small during the war; it was rationed the world over, and our capacity reduced to the actual requirements of the people, and the people rationed all over the world, so that our capacity was very small, but on that small capacity and on the cost we were still allowed a net profit of two-fifths of a cent.

Q. Which was a profitable business?—A. Which was practically the profit allowed in England.

Q. And was to you a profitable business?—A. Yes, it showed to us at least a margin of profit, which we sometimes do not see.

By Mr. Caldwell:

Q. You must have had an immense quantity of raw sugar on hand to make such an enormous loss?—A. We had, but we only had sufficient to take care of our allocation for the balance of the year. The slump started in July and we had six months' supply.

Q. Do you usually carry six months'supply?—A. No, never.

Q. That is, you had bought much larger stocks than you would have if the Board of Commerce had not guaranteed protection on the price?—A. Oh yes. If we had believed that the Board of Commerce had no power to carry out their promises we would have absolutely refused to obey them.

Q. Had you been buying on your own responsibility and on your own judgment, you would not have bought as heavy stocks as you did?—A. No sir, not by any means.

By Mr. Sales:

Q. How much would you have ahead, one month's stock?—A. We would have in a normal market very little more stock than necessary to run our plant and keep going.

Q. Would that be one month's stock?—A. Yes, four or five weeks.

Q. How much have you now?—A. Just now we have very little stock.

Q. You are not a party to this arrangement?—A. We are depending absolutely, as a matter of fact, on keeping our refinery running on shipments afloat, that are coming in.

By Mr. Caldwell:

Q. You were saying you would not keep a large stock if you thought there was a drop coming in price?—A. If who thought?

Q. The refiners. You would have been afraid to carry such a big stock for fear of a drop?—A. We would not on our own initiative have dared to take such a speculative risk at the prices.

Q. You knew that a drop must come in the future, naturally?—A. Yes, it was generally believed that a drop must come some time, but no one in the sugar world believed that it would come whilst there was an appearance of a great shortage, and everyone who knew anything about sugar believed there was a shortage.

By the Chairman:

Q. I think Mr. Drummond told us that Mr. Hoover had said, when sugar was about 20 cents a pound, that it would not be likely to go below 20 cents a pound for 18 months.

By Mr. Caldwell:

Q. Could you tell us how the refiners in the United States fared at this time?

The CHAIRMAN: They were allowed to sell on replacement value.

The WITNESS: Yes, they were never controlled on their prices.

By Mr .Sutherland:

Q. According to this statement submitted to the Committee yesterday you had purchased and under contract for 1920, 366 million pounds of sugar, is that correct?—A. Our share was eighty million pounds.

Q. You were purchasing largely on the assurance you had received from the Board of Commerce you would be protected in the event of a decline?—A. Absolutely.

Q. Who were the members of the Board of Commerce at this time—you have given us Mr. Fairbairn's name as representing the Canada Trade Commission?—A. Mr. Murdock, I think.

Mr. CALDWELL: If you give the date it can be very readily looked up.

The CHAIRMAN: They resigned with considerable rapidity, the different members.

WITNESS: I can only say for the Board of Commerce that they were perfectly sincere as far as they knew and believed they had power to do what they said they would do, and they tried to do it.

By Mr. Sutherland:

Q. They evidently did not have the power?—A. Yes, they tried to make good by a certain action.

Q. Can you give us the names of the members of the Board who gave you this assurance and the time the assurance was given?—A. The Chairman, Mr. O'Connor.

Q. And Mr. Murdock?—A. There is a published judgment of Mr. O'Connor's where he made public utterance that in as much as the refiners had been compelled to sell their product not on replacement but on cost, it would be the

duty of the Board and the Government to see that they were protected against loss on a declining market.

Q. You have referred to the small margin of profit made by the sugar refiners under ordinary conditions covering a term of years; can you give us any idea as to the spread between the price received by the sugar manufacturers and that paid by the consumer?—A. Over a period of years?

Q. Yes?—A. That is a very difficult question to answer, because there is always such a difference in spread depending upon the cost of the raws. When raws cost two cents the spread is much narrower; when raws go to six cents it is much greater, and when they go to ten cents it is much greater still, because of the tremendous additional cost in refining and conversion—

By the Chairman:

Q. I don't think that is quite what Mr. Sutherland meant; Mr. Sutherland means what is the difference of price between the time when the sugar leaves your door at your factory and comes on to the consumer's table?

Mr. SUTHERLAND: Yes.

Mr. CALDWELL: It is really distribution.

WITNESS: I think it is about a little over one cent a pound.

By Mr. Sutherland:

Q. On the whole it is a pretty narrow spread?—A. Yes.

Q. Do you sell the retail trade or to the Canada Wholesale Grocers Association?—A. We sell mostly to the Wholesale Grocers Association and to manufacturers; we sell a certain amount to large retailers.

By the Chairman:

Q. That is manufacturers of candy, canners—A. Preserving, soft drinks.

Q. People whose raw material is your finished product?—A. Exactly.

By Mr. Sutherland:

Q. But on the whole in so far as the Province of Ontario was concerned we were informed by the secretary of the Wholesale Grocers' Associations, that refiners would not sell to the retail trade, but only through the Wholesale Grocers' Association, and also that the profits on a car was somewhere in the neighbourhood of $188 at the present price of sugar to the wholesale grocer, and they in turn exacted a profit of about 20 cents per hundred from those intermediate points, or what they call competing points, it might run from 5 miles to 50 miles, in those districts there is a difference equal to the profits which the sugar manufacturers claim they receive, that is one-fifth of a cent per pound difference between the price they charge the wholesalers at those places?—A. Well, sir, my answer to that question with regard to wholesaler's profit is simply this, that we know the wholesalers are never satisfied with the profit they are allowed; they are always claiming that 5 per cent is insufficient, and the higher the price of sugar the greater the risk, they are always subject to losses and all that sort of thing, they have to carry a stock, they have to give months of credit to retailers, and furthermore not infrequently are they fighting and cutting prices, until most of the 5 per cent disappears.

Q. At competing points; the evidence was given yesterday that the refiners bear part of the rates on the sugar, the rates must be prepaid, that is the only way in which sugar is sold, I believe?—A. Yes, sir.

Q. And that shipments to those points very often—for instance I gave figures yesterday on a shipment from Montreal to Oshawa the rate would be

53 cents per hundred pounds, and a further distance, to Toronto, the rate would be 34 cents per hundred pounds, or a difference of 19 cents per hundred; how do you account for such discrimination against certain districts?—A. Well, sir, the refiners have nothing to do with any discrimination, I can assure you of that, but at no point is a buyer of sugar compelled to pay more than the actual freight rate.

Q. The refiners bear part of the rate to the competing point?—A. Of course that brings in the system of equalized rates, and with regard to the equalized rates system I can only say it was a system that was in force when I came into the sugar business in 1912; it had been adopted after a great deal of consideration I believe, by the wholesale houses of Canada, probably thirty years ago, and I was told that it was operating with apparent satisfaction in nearly every centre, and operating economically, and that it served a very useful purpose for all these years, and we simply adopted the equalized rate system, because the Wholesale Grocers who were our customers wished us to do so, it suited them best, it was their system.

Q. The Wholesale Grocers' system?—A. And it is based on the establishment of jobbing centres all over Canada, and through those jobbing centres the refiner is requested under this system to absorb a portion of the rate.

Q. Do you consider it fair that the people in Oshawa should have to pay 19 cents per hundred pounds more for sugar shipped from Montreal than the people in Toronto? This is equal to the profit which you claim that the sugar manufacturer would be satisfied with?—A. I might answer that simply by saying that the consumer who is fortunately located or conveniently located either to a refinery or to a jobbing centre, will naturally enjoy preference in rates; and the jobbing centres have been established as wholesale centres throughout Canada by the wholesale houses who are our customers, and if a consumer is situated favourably to those jobbing centres, he enjoys a better rate, exactly the same as if he were situated favourably to the refinery.

Q. But the people in Oshawa through the fact the sugar manufacturers will not sell to them in carload lots for cash have to buy through the Wholesale Grocers' Association and pay tribute to them in this way?—A. If any centre, and it develops from time to time that a new jobbing centre is created because of a demand and because of probably a wholesale house becoming established, and that centre must arrange to get into the wholesale zone and get the rates established, and ask the refiners to absorb so much. If you ask me if I would like to do away with the equalized rates I tell you frankly I would like to do away with it as far as I am concerned, I would like to make my price f.o.b. the refinery for everything; I have no brief for the equalized rate, not the slightest.

By the Chairman:

Q. Do you thoroughly understand it?—A. No, I think Mr. Sutherland does from the questions he asks me.

By Mr. Sales:

Q. Why don't you break away?

By Mr. Sutherland:

Q. Why not sell for cash to those who will buy?

By Mr Sales:

Q. And control your own business?—A. We do control our own business, but if you are in business and you have a large customer buying from you all the time, you like to accommodate that customer, you like to show him a cer-

tain amount of courtesy and consideration, surely more so than one who does not buy from you at all. Our customers say this is what we like, these are the centres, and we ask you to absorb this rate, and we have done so because it appeared to give the best and most economical distribution of sugar to the consumer.

Q. But we have one sugar firm that does not adopt equalized rates I think?—A. That sugar concern is a court of law unto itself; they can do as they please.

Q. What do you mean?—A. They sell the retail trade in the Dominion do they not?

Q. They do. Does the consumer in Toronto benefit by that reduction in rates, or is that absorbed by the trade?—A. I think undoubtedly he does.

Q. He can buy sugar cheaper than he can in Oshawa?—A. I think so.

The CHAIRMAN: I don't think so.

Mr. SUTHERLAND: Most assuredly.

The CHAIRMAN: I have the impression that the price of sugar over eastern Canada for all the different years will be more or less the same.

Mr. MCKAY: That is true.

Mr. CALDWELL: It is.

By the Chairman:

Q. Do you know about that? Do you take such interest in your product when it reaches the wholesaler's hands—?—A. I do not like to be questioned too closely on the equalized rate, because I am not sufficiently familiar with it to really answer in detail intelligently.

Q. It must be a great mystery here we have two of the leading refiners situated in eastern Canada, Mr. Drummond and yourself, and neither of you seem to have quite grasped all the intricacies of the system?—A. It does strive to do that very thing that you mentioned, and that is to equalize as nearly as possible rates all over the country, but there are some points of course where sugar is cheaper than at other points; it cannot be otherwise.

By Mr. Sutherland:

Q. For instance, let me give you some more points; Brantford is a distributing point; the rate to Brantford is 42 cents per hundred; to Woodstock it is 62 cents; about twenty miles further on; and Tillsonburg it is 68; London it is down to 43 again. As a matter of fact sugar is being sold much cheaper at these distributing points than it can be sold by the retailers in these intermediate points?—A. Yes. The retailer in an intermediate point would pay the equalized rate to the jobbing centre plus the local rate to his point, but it works no hardships to him, in as much as he pays at no time any greater rate than the rate direct from the refinery to his town, so how can it work an injustice?

Q. You are bearing part of the charges of transportation to the distributing points?—A. Yes.

Q. Which enables the wholesalers—they get a rebate of 15 per cent from the manufacturers—Mr. Pyke stated that they were getting 15 per cent from the refiner?—A. That is a misprint.

Q. The buyer gets a rebate on his quantity purchased from the wholesale grocer of 8 cents.

Mr. CALDWELL: That 15 per cent is a misprint.

WITNESS: It is 5 per cent.

Mr. SUTHERLAND: Which amounts to $188 per car of 400 sacks at the present time.

APPENDIX No. 3

By the Chairman:

Q. Mr. McConnell, is this not what the equalized rate does; if there were no equalized rate, people would be at the natural disadvantage in buying sugar according to the distance they were from the source of your supply? To completely overcome this, the refiners would have to absorb the price of carriage to all points where their customers were, to absolutely equalize it. What has been attempted is a partial equalization. Certain rates have been established to twelve different points in Ontario, and certain rates given to these twelve points. These twelve points more or less are equal. That is to say, although Hamilton is 50 miles, I think, from Toronto, it only costs one cent more per hundred pounds to take 100 pounds to Hamilton instead of going to Toronto, but although you create by that system a certain equalization, the rates between these twelve centres, the jobbing points, though you make these rates somewhat more equal than they otherwise would be, that does not give the same equalization to points which are other than these twelve points. The people who live beyond these points get the advantage of the rate to the twelve jobbing points, and then have to pay the cost of taking the goods from these jobbing points to the local point near the jobbing point?—A. Yes, sir.

Q. In such a way that you create an artificial equalization which is by no means complete. It is only approximate, and you make a rather striking difference in cost distribution between the twelve points that have been chosen as distributing or jobbing points and points which have not been so chosen. I think that is the fact.

By Hon. Mr. Sinclair:

Q. Mr. McConnell, is it not a fact that the rate given to these jobbing points is a carload rate?—A. Yes, sir.

Q. In every case this is a carload rate?—A. Yes sir.

Q. The rate from the jobbing point to the retailer, wherever he may be situated, his nearest jobbing point, is a less than carload rate?—A. Yes.

Q. Added to the carload rate to the jobbing point. Is there anything to prevent that retailer, if he wanted a carload of sugar, from getting it direct from the refinery by ordering it through his wholesaler, without going through the jobbing plant? Can he order a carload of sugar if he wants a carload? —A. I do not know of anything that would prevent a retailer ordering a carload through his jobber and having it shipped direct.

Q. Would he get it under that rate, or would he pay a straight carload rate to his own station?—A. I think that carload business between the retailer and the wholesaler is usually a matter of a special deal and a special discount by the wholesaler, who nearly always gives special consideration, and a special discount.

Q. The wholesaler does that?—A. Yes.

By the Chairman:

Q. And it occurs, I suppose, very rarely?—A. But as the Chairman points out, these jobbing centres create wholesale centres, frequently, all over the country, where the retailer living in small places can get his stuff quickly and in small quantities, and at no greater cost than by sending to Montreal.

By Hon. Mr. Sinclair:

Q. He gets it at a lower cost. He gets the carload rate to his jobbing point, and a less than carload rate to his own station and in that way it gives the retailer an advantage over ordering direct from the refinery?—A. I think that is an advantage to the retailer and the consumer in general.

By the Chairman:

Q. It may be, but there is a rather striking difference between the retailer who is at the jobbing point and the retailer who is at a point perhaps closer to the refinery, but if that point is not a jobbing point he has to pay more.

By Mr. Milne:

Q. Mr. McConnell, you made the statement that the wholesaler usually made a bargain with the retailer who wanted to buy a carload lot. I would rather gather from the evidence that we have had here that that is not the case, because if a wholesaler in the city of Winnipeg made a bargain with the retailers for a carload at less than 5 per cent he would be shut out of business entirely. I do not see why one man should be used that way and the other not.—A. I really could not speak with authority, but I have known, of course, in many cases, wholesale houses who are not immune from price cutting and quarrelling among themselves, they do it all too frequently, and I know one of the methods is to cut prices on car lots of sugar. Sometimes the discount disappears entirely. The refiners themselves have been known to quarrel occasionally and cut prices too.

By Mr. Sutherland:

Q. Just to show the unfairness of the system, when you get near the edge of the centre, Hamilton and Dundas are about five miles apart, and there is a difference of 21 cents per hundred pounds, and it is only under these conditions that the retailer in Dundas can purchase from the commercial agent. He has to pay 21 cents per hundred pounds more—that is, less the discount which is allowed—for a distance of five miles.

By Hon. Mr. Sinclair:

Q. In what quantities?

By Mr. Sutherland:

Q. For a distance of five miles, on a carload lot?—A. It is unfortunate for the man in that district who is unfortunately located. His best method would be to establish a wholesale house in a centre of that kind and enjoy the equalized rates direct.

By Hon. Mr. Sinclair:

Q. If that merchant at Dundas wishes to buy in carloads, he can get a special rate from his wholesaler direct to his own point, he does not need to come under these rates?—A. I believe that is quite possible. I am quite sure the wholesale buyer can do that. I am under the impression that wholesale houses give special discounts on carload lots.

By Mr. Sutherland:

Q. There is a discount in both cases, but the prices will remain practically the same. That is the difference between the two points.—A. One thing I would like to make clear to the Committee is that the refiners are not responsible for that equalized rate.

Q. But you are responsible, in that you refuse to sell to the retailer direct, by this combination?—A. Of course, that is a matter of judgment. I am not going to start a retail selling business, because I do not believe in that particular method of distribution. I would have to increase my expenses, put on more credit, establish distributing points all over the country, and duplicate the retail distributing system that the Dominion people have.

Q. I am speaking about anyone who orders sugar from you and pays cash. There is no risk, no credit?—A. I think it is generally understood that if a refiner is selling wholesalers, he does not sell to both wholesalers and retailers. If you were in the business, you would probably be the first man to object.

By Mr. Sales:

Q. Do they furnish you with a list of wholesalers, or a jobbing list?—A. We sell to any wholesalers.

Q. Do they furnish you with a list?

The CHAIRMAN: A list of what they call "legitimate" wholesalers.

By Mr. Caldwell:

Q. To indicate what they are?—A. I do not remember being furnished with any such list; we simply have a list of wholesale customers we sell to year by year. There may be some of those that are not on that list at all. We are not governed by any list that is put in our hands by the wholesale houses; if a house is a legitimate house, with good credit, we sell it.

By the Chairman:

Q. When you say "legitimate house", that is the question I want to direct your attention to. Some time ago a number of Saskatchewan merchants formed a wholesale house, a limited liability company, for the purpose of doing a wholesale business. They first of all sold as a wholesale concern merely to themselves as shareholder members. Subsequently they broadened out. Would you have any objection to selling to a concern like that, provided its credit was good, and it could order in wholesale quantities?—A. If we considered him a wholesale operator we would most decidedly sell him.

Q. The fact that the stock had been furnished in the first place by a number of retailers who had formed this company, expressly for the purpose of being able to get the advantage of collective buying, would not affect your attitude towards them?—A. No, sir.

The CHAIRMAN: We must hear the Acadia men on that before we close the investigation.

We are glad to have had your views on that. Are there any further questions? We have a large number of other witnesses.

Mr. W. F. O'CONNOR: Might I be allowed to ask a question?

The CHAIRMAN: Certainly.

By Mr. O'Connor:

Q. In a statement made by you a few moments ago, you said that the control of supplies in 1920 was by the Board of Commerce. Were you not mistaken in that? Did the Board of Commerce have any jurisdiction or any control over supplies, or the amount you should sell, or anything like that?—A. I thought I made that clear, that was by the Canada Trade Commission.

Q. The Board of Commerce—?—A. It was the price fixing board, I think.

The CHAIRMAN: Let Mr. McConnell say what he intended to say.

The WITNESS: What I thought I had said was that we were governed by two boards, the Canadian Trade Commission, which governed the export licenses and our allocation of sugar.

By the Chairman:

Q. And then the price at which you re-sold?—A. Mr. O'Connor's Board had to do only with the fixing of prices. I also said that I believed it was Mr.

O'Connor's Board—I did not know Mr. O'Connor was sitting there—as a matter of fact I said, and I will say again, that what Mr. O'Connor did he believed to be fair under the circumstances, and he tried to carry out what he said he would carry out, and he found it was impossible because the Government would not back him to that extent.

By Mr. O'Connor:

Q. I have a question about that, too. At the time the question arose about carrying out the judgment which the Board of Commerce had previously given—and it was a judgment, I understood you to say, a formally rendered judgment, that laid down that the refiners should be protected on a falling

The CHAIRMAN: Let Mr. McConnell say what he intended to say.

market—was it the same personnel of the Board of Commerce that you dealt with, as the personnel there at the time when the previous judgment was written?—A. No, I think not. Perhaps you will correct me.

Q. Well, still that different personnel considered itself bound by the previous judgment and made an order, did it not, in attempting to hold prices when that crash came?—A. Yes, it did.

Q. And the Government overruled the Board of Commerce?—A. Yes.

The CHAIRMAN: I understand that is what Mr. McConnell said.

The CHAIRMAN: If you would like me to call you as a witness, Mr. O'Connor, I will do that, but when you interjected one question to Mr. McConnell, I thought we might be helped; but it would hardly be proper for you to continue. I am hardly a court, but I would say that you were an "amicus jure," which is Latin for "a friend of the court."

Mr. O'CONNOR: The "amicus jure" in question might be very seriously affected in its own proper and personal capacity by the evidence given, and it was because I was intensely interested that I asked the question.

The CHAIRMAN: If you will pardon me, I will be glad to call you as a witness. I think that perhaps your question has been asked and answered, and I think that we might consider the incident as closed.

Mr. O'CONNOR: I had one other question to ask.

The CHAIRMAN: If you will communicate the question to me privately, I will be glad to put it.

By the Chairman:

Q. Now, Mr. O'Connor's suggestion has suggested to my mind a further question. Mr. O'Connor, who is a student of the sugar situation, infers that the people of Canada are to-day paying more for their sugar by reason of the fact that they did not pay enough for their sugar a couple of years ago. What have you got to say to that suggestion or statement?—A. Well, I do not know what Mr. O'Connor means by that, sir, but my only answer to that question is that you have the evidence in your own possession, because you have our costs, and you know from the costs, and from the existing prices that we are realizing, that we are not making the people pay. We are not able to under the conditions, and our profit is a very narrow profit at present.

The CHAIRMAN: Now, gentlemen, have we finished with Mr. McConnell? We are much obliged to you, sir, indeed. I am going to ask Mr. Hopkins to tell us a little about that meeting in New York at which he was present..

Mr. HOBBINS was recalled.

By the Chairman:

Q. You have already been sworn, Mr. Hobbins. I do not know whether you appeared publicly before the Committee.—A. Yes.

Q. You are with what institution?—A. The Atlantic Sugar Refining Company.

Q. You were good enough to interject a statement while Mr. McConnell was giving his evidence, to the effect, as I understood it, that you had been present at a hearing in New York when the question whether or not there had been any artificial enhancement in the price of sugar was under discussion. Will you tell us about that?—A. I was present at the second hearing. I was not there at the first hearing. It opened—I have forgotten the date—about three weeks ago, but I was present at the second hearing when Mr. Davis appeared in defence of the exchange.

Q. That is, Mr. Davis, who was ambassador to the United States from the Court of St. James?—A. Yes, and as I understand it, the Government endeavoured to obtain an injunction against the continuation of the New York Coffee and Sugar Exchange, so far as the sugar end of it was concerned, and after arguments by both sides, the judges decided that the Government had not brought forward sufficient affidavits to prove their charge, namely, a conspiracy on the part of the exchange to enhance the price of sugar. I also understand that it was their intention to appeal to the Supreme Court, but that up to date there has been no decision at all as to whether they are going to do that, or whether they are going to let the matter rest. That is all I can tell you, sir.

Q. We are very much obliged to you. We will hear Mr. Neill.—A. Do you want to hear anything else from me? I have not had a public hearing. I am not particularly anxious to have it.

Q. We have had a most satisfactory conference with you in private, but if you have anything to say which you think would advance the interests of the public, to know, we would be glad to give you an opportunity to do so. —A. I would like to go on record—I do not propose to go into any discussion—on the figures in regard to the world's supply of sugar, for this year. You have had that put before you pretty effectively by the previous witness. I would like to say that I think that the present position of the sugar market is a sound one. I think there is justification for people to accept the increase in price, but I would also like to say that I think the whole situation, in my opinion, has now become, not a question of production, but a question of consumption. If the consumption in the United States in particular reaches the proportions of last year, I do not think there will be any too much sugar left at the end of the year. Whether there was any justification, from the standpoint of the world's supply, for the rise in the price of raw sugar on the market from $3\frac{1}{4}$ cents in January to $6\frac{1}{2}$ cents in April, is a matter of opinion.

Q. What is your opinion?—A. In my opinion I think the people were justified in expecting a shortage owing to the communications that were issued by the New York Chamber of Commerce, I think it was—Mr. Hoover's statement.

Q. Are you referring to the report which appeared in the Commerce reports issued by the United States government?—A. That is the one.

Q. On the 12th of February, 1923?—A. Yes.

Q. Would you say that people who took this report as indicative of the true situation, had a right to expect, were justified in expecting, a raise in the

price of sugar? You see, that is as we understand it, but what do you think, as a student of the sugar situation of the world—what do you think of the real situation, not the mere report of the situation, but the situation as far as you can judge it to exist? Do I make myself clear?—A. Yes, sir. Well, sir, from the information for instance that has been laid before you to-day, which is the same source of information which I am able to obtain myself, I can only say that in my opinion there is not any too much sugar in the world to meet the consumption, if the consumption is as high as it was last year, but I would like, if I may, just to give you my views on this thing, and then if you have any questions to put afterwards, I wll be glad to give you the answers. As I said, whether there was any justification from the standpoint of the world's supply for the rise in the price of raw sugar in the New York market from 3¼ cents in January to 6½ cents in April, is a matter of opinion, but the fact remains that raw sugar did advance in the New York Market, and that is where the Canadian refiner has to buy the bulk of his raw sugar; consequently, there was a rise in refined sugar prices in this country. The Canadian refiners do not own any raw sugar plantations, so they are forced to pay the prices demanded by the seller. We have no control over the raw sugar prices whatever.

Q. Do some of the American refiners own plantations?—A. Yes, the American Sugar Refining Company, the Warren Sugar Refining Company, the Pennsylvania Sugar Refining Company, which is being operated by Ackens & Co. They own a sugar plantation; the Refinery of Philadelphia, the National Sugar refining Company. Whilst they do not own sugar plantations, they are closely allied with the American Refining Company who are large owners of raw sugar, and get their supply from them. It has been shown by a previous witness that the Canadian refiners did not add the full advance to their selling price.

I just wanted to get on record on these points, with your permssion, and I do not propose to go any further.

By the Chairman:

Q. Did we ask you to find out something about the export business?—A. Well I do not remember whether you did, but I will find out anything I can.

Q. I do not believe I did ask you anything, to give us anything of that sort. —A. You did ask me last night to think over and sleep on the evidence that I gave yesterday. I have done so, sir, and I have not found any reason to change the view that I had previously. With all due respect, sir, I suggest that a statement from you, in view of the standing of this Committee, that the refiners—I am speaking for myself, and I think the others have furnished and are willing to furnish all the evidence you have asked for and require, and I think we would be glad to meet any question, as to whether there is anything to hide or not.

Q. Would it divulge anything which should not in fairness to you, be divulged, if you told us what price you obtained for that export business, how it compared with what you got for your domestic business.—A. First of all I must look it up. I would like to know when.

Q. You gave us very full evidence as to last year's figures.—A. I would be glad to get that for you.

By Mr. Sales:

Q. Give us the same period, for export and domestic.—A. Yes.

The CHAIRMAN: We thank you very much.

The witness retired.

CHARLES ERNEST NEIL, called.

By the Chairman:

Q. You live in Montreal?—A. Yes.

Q. You are the General Manager of the Royal Bank?—A. Yes.

Q. The Royal Bank does a very considerable business in Cuba?—A. Yes.

Q. And also some of the other West India Islands?—A. Yes, sir.

Q. You have made advances in time past; I presume your bank has made advances to the sugar producers and others in the Island of Cuba?—A. Yes, sir.

Q. I presume that in the ordinary course of business you hold a good deal of what is called "sugar paper"?—A. We do.

Q. I am going to read you a statement that was made by Mr. Basil Manning, who had demanded a Federal Grand Jury investigation on sugar manipulation. He made the following statement on March 24, 1923:—"I might suggest to the Department of Justice that one of the principal matters which the Grand Jury should investigate is a meeting which is alleged to have taken place in Cuba about the middle of January, 1923, between the President of the National City Bank of New York, the President of the Old Colony Trust Company, of Boston, the President of a prominent Montreal bank, all of which held large quantities of sugar paper, and certain prominent Cuban sugar producers. I am informed that means of further increasing the price of sugar were discussed on this occasion". Do you know what bank is referred to in this report?—A. I do. The Royal Bank of Canada.

Q. Was Sir Herbert Holt your President in the middle of January, 1923?—A. No, sir.

Q. Was he in New York in the middle of January, 1923?—A. No, not that I know of. I do not think so. As a matter of fact, I accompanied Sir Herbert to Cuba. We left New York, I think, on the 8th of February and returned about the 7th of March.

Q. Now there has been, as you know, a good deal of public discussion of the rumour mentioned by this Mr. Basil Manning. As representing the Bank, I would be glad to have your views as to whether there is anything in it, and if there is anything in it, what is it?—A. Well, sir, I have heard these reports that you speak of. In fact that has been suggested in the House of Commons and also quite largely spread throughout the Dominion of Canada, and I wish to thank you for giving me this opportunity of denying this report before the Committee. If you will permit me, sir, I would like to read or make a short statement regarding the situation, that is the situation which exists to-day with regard to raw sugar and what led up to it. It will not be long, and I think it perhaps will give you some information in conjunction with that which Mr. McConnell has perhaps given you. I have been requested to appear before this Committee presumably because it has been suggested that the Royal Bank, through its West Indian Branches, particularly those in Cuba, may have had something to do with the recent increase in the price of raw and refined sugar. The only way in which the Royal Bank or any other bank could influence prices to higher levels would be by making advances to producers, merchants or speculators on the security of sugar, to enable them to hold for higher prices—

Q. I think that is the way in all commodities. Credit can tend to equalize or decrease prices.—A. Yes. And it is proper that the Committee should know to what extent the bank has financed producers, merchants or speculators to hold sugar, especially as compared with previous years.

Q. As a matter of fact, what proportion of your branches are in Cuba?—A. The bank's branches?

Q. Yes. What proportion of those in the West Indies are in Cuba?—A. I could not say exactly, but more than half.

Q. What proportion roughly of your business is done in Cuba?—A. You mean the bank's whole business?

Q. No, of your West India business.—A. Much more than half. As Cuba is the greatest producer of raw sugar, I shall deal with the situation there. 182 sugar factories operated in Cuba during the grinding season which is now closing. Of these about one-half, producing three-fifths of the total production of Cuba, are financed in the United States. Of the balance, the Royal Bank of Canada has made loans to approximately 25.

Q. What banks in the United States have the large Cuban business?—A. Many New York banks.

Q. Has the National City Bank of New York much Cuban business?—A. They have a large number of branches in Cuba, and in fact I think I am safe in saying that the National City Bank has the largest business of any bank in Cuba; it probably exceeds our own.

Q. Does the Old Colony Trust Company do a considerable banking business there?—A. It has no connection there, as far as I know.

The factories to which the bank has made advances have produced this year in round figures, 482,000 tons of raw sugar, of a total crop of 3,550,000 tons, and from the latest figures available, when all but three of the 25 had completed grinding, there remained unsold less than 75,000 tons. The greater part of this amount is being carried for clients who are quite independent and any suggestion from the bank that they should sell sugar would simply mean a transfer of the loan to another institution.

Out of 182 central factories, the Royal Bank only made advances to 25, and in some cases we may not have been their own banker.

Q. How do those 25 producers who are customers of yours, compare as to size to all the rest?—A. You mean as to capacity?

Q. Yes. If they were very much larger than the rest, the fact of loaning to 25—.—A. As I say, the factories to which the bank has made advances have produced this year in round figures, 400,000 tons of raw sugar, out of a total crop of 3,550,000 tons, a little over ten per cent, and the latest figures available when all but three of the 25 had completed grinding, is that there remained unsold less than 75,000 tons. There is a complete refutation of the suggestion that the Royal Bank is financing any raw sugar in Cuba. We helped to produce 400,000 tons in Cuba this year, and all of that excepting 75,000 tons have already been sold.

Q. And has not been held, with the assistance of the bank, off the market for an advance?—A. Of the 75,000 tons that remained, the greater part is being carried for clients who are quite independent, and any suggestion from the bank that they should sell their sugar would simply mean a transfer of the loan to another institution.

By Mr. Sales:

Q. Is there any material difference in the situation to that of other years?—A. Yes, sir. The situation this year is very much better in this respect, that there is very much less sugar in Cuba than there usually is. I will explain that later, if you will permit me. At the same period last year, we roughly estimate that the same mills had on hand 100,000 tons with a much larger proportion of the crop to be made, and in the previous year at the same date, were carrying 75 per cent of the total production. This year they sold practi-

cally everything, and two years ago they sold practically nothing. That merely shows as far as the Royal Bank is concerned, that we are not financing a dealer. The Royal Bank of Canada is carrying no loans whatever for speculators in New York, Cuba or the other West Indies. It is the well established practice of the bank not to undertake such business.

By the Chairman:

Q. You say you are not helping the speculative business in the West Indies or in New York. Would you extend that to Montreal?—A. Yes, absolutely. As a matter of fact the one refinery that we finance, the Manager, who is here can tell you, that we will not give him a dollar to speculate in sugar. We will give him money to buy his day to day or month to month requirements, but not one dollar to speculate in sugar.

Q. Does he ask for it sometimes?—A. He never has so far as I know.

Q. Would he get it if he did?—A. He would not get it if he did. It is a well established practice of the bank not to undertake such business, and it may interest the Committee to know that when the debacle in sugar appeared in 1920, the Royal Bank of Canada did not have any loans whatsoever to sugar speculators, and extremely moderate loans on sugar to responsible producers, and that practically no money was lost on such advances.

Q. Mr. McConnell told us about some Cuban producers who had held sugar when it was over 20 cents a pound with the expectation of getting 30 cents for it?—A. Yes.

Q. Is that a different time from the time you are speaking of now?—A. Those would be speculators.

Q. Not producers?—A. I would think not producers, as far as I know. Some producers may have, but I would think it would be chiefly speculators You see, some of the producers might have been foolish enough to hold it.

By Mr. Caldwell:

Q. Do you know who financed those speculators?—A. I know the Royal Bank did not finance one. We were perfectly certain what was going to happen.

By the Chairman:

Q. It is such an unusual thing to have people come before us and say that they have lost money.—A. We did lose money, Mr. Chairman, but in other directions.

By Mr. Sales:

Q. You were no exception?—A. We were no exception. Only a small number of the mills carried over any sugar into 1921, and any losses taken by mills on such sugar were more than offset by the abnormal profits made in the early part of the crop. The following year, 1921, was the one in which practically all mills made very heavy losses. This was due to the fact that the sugar crop for the year was disposed of through the Sugar Finance Commission, a Government Commission formed to handle all the crop which had not been sold previous to the date of its formation.

By the Chairman:

Q. I am interested in that, because we have had suggestions of the same sort more or less about formations in Canada, and it would be interesting to know how that one operated?—A. Here is about how it operated. The Commission held up the price of sugar at around 5 cents during practically the whole period in which the crop was produced. Most of the mills under their

contracts with cane farmers are compelled to liquidate their purchases of cane in raw sugar, which must be purchased by the mills from the farmers at the current price. Did you get that?

Q. No, sir. Will you say it again?—A. It is a little involved, but to anyone who understands it it is clear enough. The purchasers were obliged to turn all their raw sugar in to the Commission.

Q. It was a compulsory Commission?—A. A compulsory Commission. They were absolutely obliged to do that. They had to settle with the cane farmers at the prevailing prices. The cane farmers were settled with, just the same as the beet growers in Ontario. The prevailing prices of raw sugar governs the price of cane sugar. Raw sugar was away up, and therefore the producers had to settle with the cane farmers at a higher rate. Later on the prices went away from them and they could not settle.

Q. That was not a bad thing for the cane farmers?—A. Most of the mills under their contracts with the cane farmers were compelled to liquidate their purchases of cane in raw sugar, which must be purchased by the mills from the farmers at the current price. When they could not sell, they finally dissolved the Commission and turned over to the producers at the beginning of 1922 more than fifty per cent of the mills' total production, exclusive of such sugar as had been sold prior to the formation of the Commission. The average price realized by the Commission for the sugar remaining unsold when the Commission was dissolved was something under three cents. That was all the poor producers got for their sugar.

By Mr. Sales:

Q. Who were the producers, in that case?—A. The factories, not the growers. As a result many of the mills did not realize from their total crop as much as was paid cane farmers for their cane. They did not get enough out of the crop to pay the cane farmers, and they had all the cost of manufacturing the cane into sugar.

Q. Is that very extensive, that cost?—A. Yes, it is.

Q. Can you give us an idea of it?—A. No, I cannot, Mr. Sales; I cannot do that.

By the Chairman:

Q. That is reducing the cane sugar to raw?—A. Yes, taking the cane, the actual cost of the manufacture, I think it might be perhaps around $1\frac{1}{4}$ cents, it depends so much upon the cost of labour, the cost of hauling and a great many other things such as that. I remember Sir William Van Horne said he could make a profit at $1.71 per hundred. Of course that was before the war. He could not make a profit to-day at $3 per hundred.

By Mr. Sales:

Q. Do the owners of the cane do the hauling to the factories?—A. Chiefly the cane farmer does that. In some cases a sugar mill has what is called administration cane, and where they have administration cane they cut it themselves and haul it, and employ the labour to do that work, but chiefly the cane is grown by cane farmers who cut it and haul it to the mill and are paid a certain percentage of the sugar produced.

By the Chairman:

Q. The same as the producers grow beets up around Kitchener or Wallaceburg?—A. Yes. Many of the mills did not realize from their total crop as much as was paid cane farmers for the cane, and in many cases actually incurred loses on their total production of as much as two cents per pound. That is, many of those big factories lost two cents a pound that year on every-

thing they produced. That was what caused the trouble. The Sugar Commission missed the market, sugar was turned back to the men who had paid the cane farmers, they sold the sugar and made a loss of two cents a pound on every pound of sugar they produced.

Q. That would illustrate the danger I suppose of putting the whole banking business or any other business of the country in the hands of a few people?—A. I would not like to pass an opinion upon that, Mr. Chairman. We have too many branches in the Northwest for me to say that.

Last year's crop, 1921-1922 was produced under fairly favourable conditions. Costs had been reduced to a minimum, and with steadily advancing sugar prices the mills generally made satisfactory profits, but not at all in proportion to the enormous losses suffered in the previous year. The cane farmers, notwithstanding the generally reduced costs, realized less for their cane than the cost of production. That is, the cane farmers last year lost money. Now we get to the causes of the present situation. This naturally led to a lack of attention to cultivation and a practical cessation of new plantings. There was a short crop this year.

Q. Tell us about the plantings. You have been in Cuba?—A. Yes, sir, I have been in Cuba twenty years.

Q. Does sugar grow like raspberry bushes, or is it sowed like wheat?—A. The sugar plant, Mr. Chairman, is the greatest plant in the world, especially in Cuba. It is cut down every year, it grows up again and is cut next year, without practically any cultivation at all.

By Mr. Caldwell:

Q. Is there no new planting?—A. There is no new planting in Cuba. In the British West Indies and Porto Rico they have to keep on planting, but nothing kills it in Cuba. There was a drought last year and there was less sugar in cane. The quantity of sugar is effected by dry weather. In wet weather the juice in the cane is not so sweet; in dry weather there is less juice, but at the same time it is sweeter.

By Mr. Sales:

Q. When a man sets out a new plantation, how long will it be before he gets a crop?—A. Take a virgin forest and burn it down this year, and next year there is a rainy season, it starts say in May, you can plant your cane right in among the stumps, and sometimes within a year and a half they get cane for the mill, and sometimes they get small canes in a year. Somebody asked about sugar cane, whether it deteriorates if it is kept. Sugar cane kept more than say 24 hours after it is cut, in hot weather, begins to get sour, and when it is sour it ferments. In 48 hours it is bad.

By Mr. Caldwell:

Q. It will pretty nearly make booze after that?—A. Yes.

By Mr. Sales:

Q. Sugar in the raw state is carried over?—A. No. As soon as the sugar cane is cut the juice is squeezed out of it, and that juice is boiled just like maple sugar. The sugar crystals are allowed to settle into molasses. The molasses and the sugar come out together, the sugar crystallizes, the molasses go into the centrifugal, sugar comes out at one side and molasses at the other. As soon as it goes through the grinder the cane is finished. After the cane is ground it is almost like coarse sawdust. That is used as fuel to run the mill.

By Mr. Caldwell:

Q. After the juice is extracted?—A. Yes. It is like very coarse sawdust.

By the Chairman:

Q. What Mr. Sales wants to know and what I would like to know is this, after the sugar cane is reduced to raw crystals, can it be held for some time?—A. Yes, it can be held probably for a year, if it is good, well made raw sugar, without depreciation? After a year's time it begins to lose its sweetness; in other words it does not polarize as high. New raw sugar should polarize about 96 or 98 per cent. After it is held a year it may go down to 90 per cent, and therefore lose value. If you hold it very long, you have to melt it again.

Q. When you were banking you familiarized yourself fairly well with the sugar business?—A. That is our business down there.

By Mr. Sutherland:

Q. In connection with that, if this cane does not require planting, if it is not destroyed by any of the natural agencies, how does the price that is obtained this year affect the volume of the product next year; that is, if it is a very fair price?—A. Because they will not plant new or cultivate the old cane.

Q. I thought it did not require cultivating?—A. It does not require planting. They require to cut the weeds out from between the rows. It looks like ordinary corn, and they have to go between the rows and cut the weeds out. If a field is badly kept, the production will be less than it will be in a field that is well kept.

By Mr. Caldwell:

Q. Especially on the old land?—A. Yes, especially on the old land. New land will produce under almost any conditions.

Q. Do they have to fertilize their old cane land?—A. Yes. There is land at Havana that has been growing cane for forty or fifty years without fertilization. Now they are getting around to fertilize it.

Q. Do they use nitrates?—A. Yes. In the British Islands and Porto Rico they fertilize very heavily, which means an added expense. Shall I go on?

By the Chairman:

Q. Yes, sir, go ahead.—A. This naturally led to a lack of attention to cultivation and a pratical cessation of new plantings. The price until February of this year was not such as to make it particularly interesting for farmers to increase production, and as plantings can only be made during the rainy season, it is now too late to take any action which will make any material improvement in the situation for next year except such as may result from proper cultivation. I am indicating by this that the next crop is liable to be short. I am not a prophet, but the chances are that it will be short.

On May 11th of this year 141 mills of 182 mills which ground this year, had closed down for the season, leaving 41 still grinding as against 127 at the same date last year. To-day only 30 mills are grinding. These 141 estates have made 2,200,324 tons of sugar, which is 312,637 tons less than last year and 407,962 less than the original estimates.

Q. What original estimates are you referring to there?—A. The estimates of the mills. It would be an estimate of four million tons, the estimate originally made.

Q. The estimate was four million tons?—A. That is the estimate that was made. The 41 estates still in operation we believe will produce at least 100,000 tons short of the estimate, and we consider 3,550,000 tons as the probable total production of Cuba. This compares with 3,996,387 tons last year, or a reduction of approximately 450,000 tons. You asked if Sir Herbert Holt had gone to Cuba this year. He went to Cuba in February and made a tour of the Island.

He got information from the managers of the banks at the various points he visited. When he came back he was asked to estimate the total production of sugar for this year, and he estimated at that time 3,500,000 tons, although the people were still estimating on 4,000,000 tons. That was why Sir Herbert was trying to bull the market. What he told them was absolutely true, and that was why the Royal Bank was accused of putting up the prices of sugar, simply because he let them know what was coming.

It must further be taken into consideration that in the present year there was practically no carry over of raw sugar as compared with large carry over in 1922. According to the well known Cuban statisticians, Messrs. Guma and Mejer, the stocks on hand in Cuba on January 1st, 1923, amounted to 8,478 tons against 1,220,313 on January 1st, 1922. Based on the above figures, we assume that there will be available from Cuba during the present calendar year 1,660,000 tons less than during the calendar year of 1922. In other words, the carry over into 1922 plus production amounted to 5,216,700 tons against an estimated carry over and production of 3,560,000 tons during the present year. Up to April 30th shipments from Cuba, according to the authority quoted above, amounted to 1,882,711 tons, leaving an estimated amount available for shipment prior to the beginning of next crop of 1,677,289 tons. During the period from April 30th to December 31st last year, Cuba shipped 2,682,228 tons at steadily advancing prices.

The CHAIRMAN: I hope that will not be taken as showing the danger of bankers telling the truth?

The WITNESS: In reviewing the situation it is well also to remember that the production of beet sugar in the United States, last grinding season, was 615,936 tons, a decrease of no less than 300,000 tons from the previous year.

By the Chairman:

Q. Give us that again, Mr. Neill?—A. The production of beet sugar in the United States last grinding season was 300,000 tons less than the previous year. I am getting at the world situation as a whole. Also that the cane sugar production of Louisiana, Porto Rico, Hawaii and San Domingo, all show substantial decreases. I am getting down to the point Mr. McConnell made. On February 12th the United States Department of Commerce published in their "Commerce Reports" a statement regarding the existing situation. One week before the publication of this statement the price of raw sugar was 3½ cents per pound; one week after it, it touched 5½ cents per pound, and has since averaged between 5½ and 6½ cents. We believe this statement of the Government is an accurate estimate of the situation so far as it could be judged on the date on which it was published. In this statement it was claimed that the pre-war carry-over at the first of each year averaged 750,000 tons. It was pointed out that in 1922 world consumption exceeded production by 500,000 tons, and that the prospects for the present year are that consumption will exceed production by no less than 700,000 tons.

By Mr. Caldwell:

Q. You do not mean that the actual consumption will exceed production, but the demand for consumption.—A. No, I mean consumption, because there was a big carry-over from year to year. Now the result is that this carry-over is now or is being wiped out.

Q. You are drawing on your reserve?—A. Yes, that is what is making the price of sugar keep up because this carry-over, which has always been in existence, is now being wiped out, due to the lack of production and due to over-consump-

tion. And remember, the United States Government report said there would be a shortage of 700,000 tons this year, and in estimating that amount they estimated the Cuban crop at 4 million tons; whereas is will only be 3,550,000 tons. In other words, if the production in all of the countries is as estimated, there will be a further shortage of 450,000 tons added to the 700,000 which will be 1,150,000.

By the Chairman:

Q. I think it should be added there that the estimate of beet sugar is not quite 200,000 tons more this year than last year. Beet sugar in America made a drop. Beet sugar in Europe has gone up.—A. Yes, well, I said, sir, assuming that the production in other countries is as estimated. I am not able to check that up.

Q. I know that, but the estimates are that the European production should increase?—A. Yes, I would think so.

Q. And I suppose this consumption is of course based on the same ratio as last year, but sugar I understand is very elastic, and if the price goes up the consumption will immediately decrease.—A. That is the cure, yes. With the exception of the estimate of the production for Cuba, the figures given are those of accepted authorities. Our information in regard to Cuba is up to date and we consider it more accurate than that of the professional statistician, and it has been right along. What price for raw sugar is justified by the existing situation is entirely a matter of opinion, but it must be obvious to any one who has taken the trouble to make even a superficial investigation that the increase in price since the beginning of the year may be attributed to a short supply, and to nothing else. Of course when you have an obviously short supply there is sure to be some speculation, just as there is in any other commodity; if you have what promises to be a bad crop in the Northwest, people will speculate in grain; they will buy grain with the idea that the price is going up.

The CHAIRMAN: Let me interject a question here. It is a difficult question and you may not be able to answer it. The decrease in the world's supply as compared to last year is not very great. There has been not quite a ten per cent lessening of the Cuban supply. Other supplies appear to be about the same, and the whole world's supplies are in the neighbourhood of 18 million tons.

Q. Does it appear to you as if the increase of 100 per cent in the price of raw sugar was somewhat out of proportion to the probable or real scarcity? —A. Well, I don't think you are quite right there, sir, if you will pardon me; in this way, that this estimate says that the world's shortage would be 700,000 tons this year, and that was taking the Cuban crop at 4,000,000 tons. Therefore, if they estimate the shortage at 700,000 tons and add to that 450,000 tons, that makes 1,150,000 tons.

Q. Even taking those figures that would be about five per cent, or a little more, of the world's consumption?—A. Yes. There are two other things, sir, that you have to take into consideration: one is that the carry over is practically exhausted; and another is that in Cuba next year—I don't want to prophesy, but—it looks as if there might be another short crop. Now these men study the conditions; they know that there has been no increase in the plant of cane sugar; they know the grinding capacity is no greater. I met a man last week who knows Cuba but is not a sugar factory man, and he said he did not think the production in Cuba next year would exceed 3 million tons.

By Mr. McKay:

Q. Who owns the plantations in Cuba? Are they not owned by private corporations largely?—A. Private corporations, yes.

Q. Would they not see to the proper planting of these plantations? It is not left to the natives alone?—A. They will to some extent, yes. Some of them may increase their planting; but I am telling you the fact, that as far as our investigations go there has been actually very little new cane planted. I don't know why, but that is the fact.

Q. But is the ownership of the plantations in Cuba largely if not altogether in the hands of private corporations?—A. Yes. You mean by private corporations, companies or partnerships?

Q. I mean companies; men interested in the sugar trade.—A. Yes.

Q. Altogether, I suppose?—A. Yes, as far as I know.

Q. Then they will hire their labour there to look after their plantations?—A. Yes.

Q. Why would they neglect that, by not planting?—A. I don't say they were neglecting them. I think perhaps you misunderstand me. What I said was that from our reports and observations there has been comparatively little new cane planting this year. For what reason I cannot tell you. I would think it would be very good policy and perhaps some of the big corporations have planted new cane, but on the whole the new cane plantings have not been great.

By the Chairman:

Q. Mr. Neill, does your bank own any plantations itself?—A. Well, now, I don't know just how to answer that.

Q. That is not quite a poser?—A. I know it is not a hard question to answer, but I am just wondering, I think I have proved to you that we have nothing to do with this increase.

Q. It is a matter of real public interest to know what our banks are doing. If you say you do not want to answer, it is likely that the public will answer it for themselves.—A. I have no objection to answer it, Mr. Chairman. In one or two cases, after the great trouble they had down there customers of ours got into difficulties; we had mortgage bonds and when the properties were sold we had to buy them in, and we have now written off what we have lost and we are holding these plantations for sale. In just one or two cases.

Q. Under our Bank Act you could only hold them for a certain time and then you would have to sell. I do not know whether the Cuban Bank Act is the same.—A. We will not hold them any longer than we have to.

Q. How big are these? To what extent is it?—A. I think as a matter of fact we have two.

Q. And they are bigger than the Ontario farms, I suppose?—A. Oh yes.

Q. How big are they?—A. Do you mean the debts?

Q. No, I mean the acreage. I do not know whether they count by acreage.—A. You cannot very well count them acreage.

Q. How many miles square are they then?—A. We are interested in one plantation that produces about 130,000 bags of sugar and I would say they have about 500 of what they call caballerias of ground. A caballeria is 33 acres. We always speak in caballerias. Five hundred times that would be 16,500 acres. A comparatively small sugar plantation should control that many acres.

Q. 33 acres of 500?—A. Yes, about 16,500 acres.

Q. Now you have one of 16,500 and how big is the other?—A. The other is somewhat larger; about 800 caballerias of land. I should explain, Mr. Chairman, that we do not own all that land; the company does not own all that land; the company controls it through cane farmers; the cane farmers own part of it, but that land is tributary to the mill.

Q. It is tributary to the mill that you control. That is 26,400 acres, or a total of 42,900 acres. Anyway you could not help yourself, you had to take that over and it is for sale?—A. Yes.

Q. At a price?—A. Yes. I have one more thing to say and then I will be through with this. The present situation is one which must result in the curtailment of consumption along reasonable lines. Increased production, which will be stimulated by satisfactory markets, must eventually normalize the situation. In other words, you must have a decrease of consumption and an increased production. As to the land I spoke of, it is owned and controlled, but I cannot say how much is owned and how much controlled. That is all I have to say, sir, except that I hope I am not giving you the impression that we are financing people to carry sugar at higher prices.

Q. As a matter of interest what is sugar land worth down there in Cuba? —A. Virgin sugar land has recently been sold at $2,000 a caballeria. That is $2,000 for 33 acres. When you have planted it in cane, it is then worth from 4 to 5 thousand dollars, and sometimes 6 thousand dollars, depending on its location, and in some cases the land is better than others.

Q. That is 33 acres for $5,000?—A. Yes.

By Mr. Forrester:

Q. What does it cost to clear that land?—A. Probably $1,000 for 33 acres. They slash and burn it, and then plant the cane in between the roots, and in four or five or six years the roots are rotten and they pull them up.

By the Chairman:

Q. Just roughly approximating your holdings to 42,900 acres, what would you say its value was?—A. For instance, take a factory with 500 caballerias of land tributary to it. Probably 300 of that might be planted in cane and 200 would be for pasture and things of that kind. You require a good many oxen, and to take care of them in the dead season you must have pasture. There might be 300 cabs. in cane at say $4,000 a cab. That would be $1,200,000.

Q. Now you have got two of these?—A. Yes.

Q. Is that $2,400,000?—A. Well I would say that is the value, but I am not saying that is what they owe us.

Q. Oh no, it is interesting to know what the investments there are.—A. I will tell you this, that the plantations are worth a great deal more than they stand us on our books.

Q. I am glad to know that, and in fact after hearing your evidence and knowing that you are the general manager of the Royal Bank, we would be surprised if that were not so.

By Mr. Sales:

Q. Mr. McConnell referred to the circumstances that some Cuban planters were unable to obtain credit and so were obliged to sell below the cost of production. Have you anything to say about that?—A. That was no doubt the case. After the great financial crisis in Cuba, there was no one there, much, to give credit, and a great many of the Cuban producers of sugar were forced to sell their sugar at a loss. There was a time in Cuba when there was very little credit. Perhaps not no credit, but very little.

Q. What would have been the effect if there had been credit?—A. If it had been available?

Q. Yes.—A. The effect would not have been bad. I mean, the losses made at that time have all been recovered as far as I know. That is any loans made to help out plantations that were in bad shape, the improvement in the

general situation has made those loans good and a great many companies that were in bad shape have got on their feet through the increase in the price of sugar, and loans made to those plantations have I think invariably come good. I know that has been our experience; any lame ducks we helped, they have come out all right.

The CHAIRMAN: Now gentlemen, we have another witness, Mr. Turnbull, from the Acadia, still to hear. We will hear him at 8.30. We wish to thank you, Mr. Neill, on behalf of the Committee, for your attendance here and the very valuable evidence you have given us.

Mr. NEILL: I am very glad to have had the opportunity of appearing.

(At 6.20 p.m. the Committee adjourned until 8.30 p.m.)

Evening Session

8.30 p.m.

The Special Committee appointed to enquire into Agricultural conditions throughout Canada met at 8.30 p.m., Mr. A. R. McMaster, the Chairman, presiding.

The CHAIRMAN: We had the pleasure of hearing from the Royal Bank this afternoon, and we now hear from the Bank of Nova Scotia. Mr. Schurman, will you please come forward.

CHESLEY D. SCHURMAN, sworn and examined.

By the Chairman:

Q. You are connected with the Bank of Nova Scotia?—A. Yes, sir.

Q. What position do you occupy with that institution?—A. Superintendent of Foreign branches.

Q. Have you many foreign branches?—A. Forty-three I believe.

Q. How many of those forty-three are in the West Indies including Cuba? —A. Eighteen.

Q. Do you do a large business in Cuba?—A. No, we have only two branches in Cuba, both in the City of Havana, and one of them has only been opened a year.

Q. You have heard rumours, more than rumours, of this sudden increase in the cost of sugar; have you any light that you can throw on the whys or the wherefores of the sudden rise in the price of sugar?—A. Anything I could tell this committee would only be a repetition of what has already been given by Mr. Neill. The sources of information and the statistics he has given you are available to us, and it would only take up time, it would only be a repetition if I went over that again.

Q. What is your personal opinion from a perusal of those statistics?—A. My own personal opinion that the rise is due to increased consumption on the one hand, and a falling off of production on the other.

Q. Do you think it has been artificially enhanced in any way?—A. I think not. Our own experience is that the sugar is going forward to market this year more promptly than usual. As a usual thing during these heavy producing seasons, that is January and February, sugar accumulates at the ports probably awaiting shipment, or probably it is cheaper to store it there than to store

it in the United States, and usually we employ some of the money that comes in from the producers in loaning against sugar in warehouse; but this year it has been practically impossible to make any loans of that kind.

Q. Your bank has therefore made few loans against sugar in store?—A. Very few, and they are all of a very temporary nature; usually the sugar has been sold and it is just a matter of awaiting shipment.

Q. Does your bank own any sugar plantations?—A. None whatever I am glad to say.

Q. None whatever anywhere in the West Indies?—A. None whatever anywhere in the West Indies.

Q. You have 43 foreign branches?—A. Yes, we have 21 in Newfoundland, and we have 3 in the United States, Boston, Chicago and New York, and one in London, England.

Q. And in the West Indies you have two in Cuba?—A. Two in Cuba, three in Porto Rico, three in the Dominican Republic, that is all; that is eight.

Q. You have really nothing to add to the very interesting information given us by Mr. Neill?—A. Nothing whatever.

Q. Have you been down in the West Indies yourself?—A. Yes sir; I was in Havana last December for about three weeks. I was there a year ago also the same time.

Q. Were you ever stationed there?—A. No.

By Mr. Sales :

Q. There are no very small producers down there, I mean growers?—A. Growers of cane, well I do not know; you see they would not be in the neighbourhood of Havana; the most of the cane is grown at the other end of the island, in the eastern end in the vicinity of Santiago.

The CHAIRMAN: We wont keep you any longer; we are very much obliged.

Mr. MCKAY: Do you reside in Cuba?—A. No, in Toronto.

The CHAIRMAN: He was born in Prince Edward Island.

CHARLES H. HOUSON, recalled.

The CHAIRMAN: Now, Mr. Houson, you want to tell us a little more about sugar beets you say?—A. Yes, Mr. Chairman and gentlemen, I shall take up a very few minutes of your time. I would like to tell you some new facts about the beet sugar industry. We have in the counties of Essex, Kent and Lambton in the neighbourhood of 6,000 growers of sugar beets, 6,000 farmers who grow sugar beets.

Q. That would be one of the crops they raise; I suppose they do not exclusively devote their energies to raising beets?—A. No, they go into mixed farming as well.

By Mr. Sales:

Q. How many acres would they have of beets?—A. Some grow only one or two acres, others grow as high as fifty acres.

Q. What is the yield per acre on the average?—A. About nine tons on the average, some good farmers I might say, very careful, and they go into extensive cultivation and good land, they grow as high as 15 tons to the acre.

By the Chairman:

Q. Where are those good farmers found principally in those counties?—A. On well tilled land, on the land that is properly drained and taken care of.

Q. Well tilled?—A. Yes, well drained.

By Mr. Sales:

Q. There will be an increase in the growing of beets this year after this investigation?—A. Yes; I was just coming to that point. I was going to say that we have 1500 beet labourers who look after the cultivation of the beets.

By Mr. McKay:

Q. When you say "we have" who employs them?—A. The Dominion Sugar Company, that is to say the farmers employ them, but the Dominion Sugar Company do all in their power to obtain these men.

Q. You spoke as though you owned all the land?—A. No, that is a mistaken idea; we own no land for the growing of sugar beets; it is all grown by the individual farmers.

By the Chairman:

Q. Do they contract from year to year?—A. Yes, they contract each year. We have our force of field men whose duty it is to visit the farmers and to solicit acreage, and after securing acreage it is very easy then to see that they obtain the proper seed. We look after the securing of the proper type of seed. It is also the duty of the field man to see that the farmer is cared for in the way of labour as much as lies in our power.

By Mr. Sales:

Q. Have you got a copy of your contract with you?—A. I have. Here it is.

EXIBIT No. 211

Dominion Sugar Company, Limited

Sugar Beet Contract

Concerning Raising and Delivery of Sugar Beets for Campaign of 1923

1. The undersigned hereby agrees, during the year commencing with the Spring of 1923 to plant, cultivate and harvest and deliver to DOMINION SUGAR COMPANY, LIMITED, (hereinafter called the Company)..... acres of Sugar Beets on the following described lands, to wit: in Lot..... Con.....Township of.....in the County of..... Province of Ontario.

2. At least 15 pounds of seed per acre shall be planted, which seed shall be furnished by the Company at 15 cents per pound, and the cost of same is to be deducted from the first payment made for beets delivered. The title to said seed and to said crop of beets from the time when the same begins to grow, shall be and remain in the Company.

3. The beets are to be given due care and cultivated in a proper and husbandlike manner, and the grower will follow any instructions which may be given by the Company in regard to preparing the soil, seeding, caring for, harvesting and delivering the crop.

4. In case the grower does not give the said beets due care or does not follow the instructions from the Company regarding the caring for or harvesting the crop, then the Company shall have the right, by its officers, servants and agents, to enter upon the lands above set forth and to care for, cultivate, harvest and retain the crop and charge the expense thereof to the grower.

5. All beets delivered under this contract shall be as free from dirt as possible, and without weeds and leaves, and shall be properly topped by the

grower by passing the knife under the lower leaf mark at right angles to the longitudinal axis of the beet.

6. Said beets shall be harvested and loaded by the grower for the Company on cars if provided, and if not then in piles, or delivered at the factory sheds, at such time and in such quantities as may be directed by the Company. The Company shall not be bound to receive or pay for beets which, in the judgment of the Company's inspector, contain rot, or are otherwise unfit or undesirable for making sugar.

7. It is understood and agreed that all beets delivered from wagons or trucks shall be unloaded as directed by the Company, and if forked into piles, all beets scattered on the ground by the grower shall be picked up by him and thrown on the pile before wagon or truck is moved. Frozen beets delivered at weigh stations must not be unloaded into piles but must without exception be loaded directly into cars.

8. Beets grown hereunder and delivered at the place named in paragraph 11 on cars if provided by the Company, and if cars are not provided then in piles, or at the option of the grower at one or more of the Company's factory sheds, in good condition in accordance with the terms of this contract, will be paid for, subject to tare for all dirt and improper topping, as follows:

(A) The price per ton for beets delivered by the grower to the Compnay shall be based upon the average sugar content of said beets as shown by tests made by the Company in accordance with Section C of this parapraph, and also upon the average net wholesale proceeds of the Company's beet sugars from the crop of 1923 to be ascertained by: (1) taking the average net wholesale selling price per one hundred pounds obtained by the Company from the sale by wholesale (i.e. the transactions in which a discount of not less than 5 per cent off the gross quoted price is allowed to the purchaser) of its granulated sugars (beet and cane) sold and delivered, according to the Company's records, during the period from the time when beet sugar from the 1923 crop is available for sale until the entire product of the said crop shall have been sold or until January 31st, 1924, whichever shall first occur, and, (2) deducting therefrom (a) the proportionate actual cost of cartage, storage, selling and overhead expense in respect of the said wholesale transactions, and (b) an average amount per one hundred pounds for freight based upon the regular railway freight tariff from factory to purchaser in case of each of such wholesale transactions, and (c) the average amount per one hundred pounds which shall be or become payable by the Company upon the sale of any and all beet sugar manufactured from the crop of 1923 for all Government taxes in respect of the manufacture and sale thereof, and the said price shall be calculated in accordance with the following schedule:

	Net Wholesale Selling Price of Sugar								
Sugar in Beet	$ 5.00	$ 5.50	$ 6.00	$ 6.50	$ 7.00	$ 7.50	$ 8.00	$ 9.00	$10.00
	Price per ton of Beets								
13%	5.50	5.50	5.50	6.00	6.50	7.00	7.50	8.50	9.50
14%	5.50	5.50	6.00	6.50	7.00	7.50	8.00	9.00	10.00
15%	5.50	6.00	6.50	7.00	7.50	8.00	8.50	9.50	10.50
16%	6.00	6.50	7.00	7.50	8.00	8.50	9.00	10.00	11.00
17%	6.50	7.00	7.50	8.00	8.50	9.00	9.50	10.50	11.50
18%	7.00	7.50	8.00	8.50	9.00	9.50	10.00	11.00	12.00
19%	7.50	8.00	8.50	9.00	9.50	10.00	10.50	11.50	12.50
20%	8.00	8.50	9.00	9.50	10.00	10.50	11.00	12.00	13.00

The said price shall be increased by $1.00 per ton of beets for each $1.00 per 100 lbs. of the said proceeds of the Company's beet sugar in excess of $10.00 per one hundred pounds, and by fifty cents per ton for each 1 per cent of sugar content in the said beets in excess of 20 per cent.

Fractions of $1.00 of the said proceeds of sugar and fractions of the percentage of sugar content shall be calculated and paid for proportionately in the same manner.

(B) The said net wholesale proceeds of the Company's Beet Sugar, after being computed by the Company from their books, shall be checked and confirmed or corrected by a reliable firm of Chartered Accountants to be appointed by a committee composed of the respective managers of The Standard Bank of Canada, Chatham, Ontario, and the Canadian Bank of Commerce, Chatham, Ontario, and in case of difference of opinion between them, the appointment shall be made by the Manager of the Bank of Montreal, Chatham, Ontario. The certificate of the said firm shall be binding upon both the grower and the Company.

(C) Samples of the beets delivered at the Company's weigh stations or factories will be tested by the Company at its laboratories and the results of these tests shall be final and binding on both the parties hereto. One sample shall be taken and one test made of each wagon load and the average determined by dividing the sum of the test figures of all the loads by the total number of loads delivered by the grower. In the case of delivery by cars from points other than those at which the Company has weigh stations, as provided in paragraph 9, each car load of beets shall be tested by three samples, the average result of which shall be applied to all the beets in such car. In view of the great amount of detailed labor entailed by this provision it is agreed that, in the event of accident, bad weather, impassable road conditions or temporary disability of the Company's weighman or any other cause whatsoever, preventing the Company from making tests of one or more deliveries, then the average of the test of the other delivery or deliveries by the grower shall be taken as the average of the whole. The method and operation of testing may be inspected at any time by the grower.

(D) Notwithstanding that the net return from sugar or the sugar content of the beet may fall below the figures given in the schedule set forth above, THE LOWEST PRICE WHICH WILL BE PAID FOR SUGAR BEETS GROWN AND DELIVERED IN ACCORDANCE WITH THE TERMS OF THIS CONTRACT SHALL BE $5.50 PER NET TON.

(E) FOR BEETS DELIVERED BY WAGON OR TRUCK and unloaded by the grower in beet bins at the factory, the sum of $1.00 per net ton will be paid in addition to the compensation set forth in the above schedule and THE COMPANY GUARANTEES A MINIMUM PRICE OF $6.50 PER NET TON for beets so delivered.

(F) Initial payments shall be made on the 15th of each month for all beets delivered hereunder up to the 20th of the preceding month and shall be at the rate of at least $5.50 per net ton. Final payment of any balance due hereunder shall be made on the 15th of February, 1924. Provided, however, that the Company shall have the right to deduct from any payment due hereunder any indebtedness owing by the grower to the Company on any account.

9. Any grower or growers collectively who are unable to deliver beets at one of the Company's weigh stations may load full cars for shipment direct to the factory where the same, on arrival, will be weighed, tared and tested and paid for in accordance with the provisions hereof. In such cases the Company will receive only cars loaded to full minimum weights and will pay no charges other than railway freight.

10. All wagons or trucks used by the grower in the hauling and delivering of said beets shall have boxes with tight bottoms, also tight sides and ends for four inches above bottoms, and shall be free from holes and cracks of sufficient

size for dirt to sift through. Beets must be forked from wagon or truck by the grower with a regular beet fork and all dirt remaining in wagon or truck must be weighed out with wagon or truck.

11. Beets delivered under this contract to be weighed and tared at..... All samples for tare must be forked into tare baskets in the manner usual in unloading the beets from wagons or trucks, and shall not be hand picked or otherwise treated in such manner as to reduce the average quantity of dirt in the delivery which is being sampled.

12. This contract not valid until approved by an officer of the Company or its Field Superintendent, and no agent of the Company has any authority to change or alter the terms and conditions of this contract.

Date.....1923. (Signature of Grower).....

DOMINION SUGAR COMPANY, LIMITED.

.....

Approved..... Fieldman, Dominion Sugar Co., Limited.

Q. Would you please leave one with us?—A. I would be very glad to. These 1,500 beet labourers, a great percentage of them are Belgians, and we have been experimenting a great number of years in getting these Belgians out to this country. I might state that on account of the scarcity of labour this year we have been the means of getting over 200 Belgian beet workers from Belgium this year. We pay their fares where it is necessary. If they can of course pay their own fares so much the better. Then of course where it is possible we collect their fare just whenever they can pay us reasonably back the amount they are indebted to us.

By Mr. Sales:

Q. Are you allowed to do that?—A. Yes sir; we have permission from the Immigration Department. We have put our claim before the Immigration Department here at Ottawa, and we have indicated to them that these Belgian workers turn out to be very valuable citizens.

By the Chairman:

Q. Do a great many stay here after they come?—A. I have not the exact number, but some 200 to 300 Belgians that are now on farms, the majority of those farms they own, some of them rented farms, but the great number of that amount from two to three hundred Belgians have now their own farms paid for; some of them are worth from fifteen to twenty or thirty thousand dollars to-day. A great number of those men came to this country, we brought them out, paid their fares years ago, and they worked at sugar beets, and then they worked at general farming when the sugar beet season was over, helped production; they were very valuable, especially during the war period when we needed that labour so very keenly, and then some of them drifted on to rented farms, and eventually purchased their own farms, and I say a great number of them have since been in a position to pay for their farms.

By Mr. Sales:

Q. What hours a day do these men work?—A. They helped in the mixed farming; they will hire out to a farmer after the beet season is over, a great number of them help in cultivating the corn crops, and they go into general mixed farming.

Q. How many hours a day do they work?—A. They work rather long hours, because of course the season is very short for beets. The Belgian as a general thing commences his work at daylight; he takes the work by the acre; he is always paid by the acre, by the piece work, and he will work until dark.

Q. They do not come over here with any idea of working eight hours a day?—A. No sir, they do not.

By the Chairman:

Q. I suppose they are like the American Bank President who said that he believed in an eight hour day, eight hours before dinner and eight hours after dinner?—A. Not in that line, Mr. Chairman, I can assure you.

By Mr. Robinson:

Q. Do you have any trouble to get all the beets you require?—A. We do when the price is low. Along on that subject I might state in pre-war times we were in a position to manufacture sugar below four cents a pound. The cost of operations in connection with the beet work has increased from that time three times, so that if sugar is below $6 we cannot afford to pay the farmer what we feel as though he is entitled to receive for the crop, in other words if he is only paid $6 a ton for his beets it is not a very remunerative crop.

Q. Is there any source of supply other than around your own district?—A. Yes, in other counties they grow to an extent, but the three counties I mentioned, Kent County especially.

By the Chairman:

Q. It is a pretty bulky crop, beets, and the sugar content of the beet is very low in comparison to sugar cane, so that I imagine you cannot afford to bring your raw material a very great distance?—A. No, with freight rates especially as they are now, I might say that freight rates have increased three times. The freight rates are very much against us in the beet sugar industry at any great distance.

By Mr. Sutherland:

Q. Have you been shipping beets to Waterloo, in the vicinity of Kitchener, to Wallaceburg and Chatham?—A. Freight rates almost prohibit us from doing that. Where they are on one line of railroad and there is not a joint rate against us we do that; but the industry just now is handicapped on account of the tremendous freight rate we have to pay, but I might state along that line, though, that we are having quite considerable interest in sugar beet contracts, due to the present price conditions. It looked at one time early in the season—I might say that our field men start out to solicit acreage usually about December; at that time of course the price of sugar was very low, and our field men had great difficulty in securing contracts. However since the price has increased they have contracted better, and since the price has gone so much higher within the past few weeks, a lot of those who contracted are calling for more beet seed, not increasing the contract, but I notice by the amount of seed they are obtaining from us they intend to put in more than their acreage calls for. I have been discussing with some of the Michigan sugar officials with regard to how they find that condition there, and they have had similar experience; so that I feel satisfied a considerable increase in acreage will ensue this year, and it will continue so long as prices remain.

By Mr. Robinson:

Q. How late can they sow them?—A. The sugar beet can be sown up to early in June; in other words if a wheat crop, a grain crop kills out, and there are quite a number of fields in our vicinity that are killed out, they can turn to the beet crop, and it assists the farmer in that way quite a good deal.

By the Chairman:

Q. Under your contract the man who contracted earlier when the market was lower, he will get just as good a price for his beets as the man who contracted later?—A. Yes; we pay absolutely according to the price. I might say here, our contract with the farmer this year guarantees him $5.50 per ton, and in addition we pay $1.00 per ton for each increase of one dollar per hundred pounds in the price of sugar; we also pay additional for high sugar content. Every wagon load of beets that we secure is tested by a chemist for the saccharine matter.

Q. Just the way the factory pays on the butter test for milk, the same principle?—A. Yes.

By Mr. Forrester:

Q. You did not do that in 1921?—A. In 1921 was the only year we did not work upon that principle, for some years; but we finally saw to it that it was to our interest and to the interest of the grower to come back to that.

By Mr. Sales:

Q. I do not see anything in this agreement which binds the company to accept all beets grown by the farmer?—A. Well, it binds us to the amount of acreage that he contracts for. He will sign—there is a blank space you will notice for signing—say ten acres of beets; if he obtains 15 tons to the acre that would mean that we would be in duty bound to accept 150 tons of beets.

Q. In duty bound, but I do not see anything here legally binding you?—A. I might state we have always accepted all the beets that have been contracted, and in the year 1920—

Q. You do not agree to take them all?

By Mr. Forrester:

Q. Yes, he will take all he can get, for he fixes the price?—A. We fix a minimum price.

Q. You fix the price you have to pay?—A. We fix a minimum price, but we pay additional for extra sugar content or extra price of sugar.

By Mr. Forrester:

Q. And then the tariff.—A. You do not know just how much extra, of course, the price will be. On the tariff question I will answer that. In one year, and that is the year we paid the highest price we ever paid for beets, we paid for 341,000 tons of beets and we took a loss of 38.000 tons of beets that year.

Q. That is the year the war was on. The sugar was dear?—A. As a matter of fact, every year we take a shrinkage, that is to say, we pay for more than we receive. There is not any year when our books show any difference.

By Mr. McKay:

Q. Do you have just the one factory?—A. We have three factories.

Q. Do you manufacture altogether beets?—A. No, in between seasons, sugar cane.

By Mr. Sutherland:

Q. Has it been necessary to bring labourers in from Mexico to cultivate it?—A. Not since 1919. We did bring in a great number of Mexicans. We contracted to bring them in in bond and send them back, fares paid, as soon as the season was over.

By the Chairman:

Q. I see what you do is according to this contract, to acquire title to the beets before they come up from under the ground. They are your beets from the time the seeds sprout.

By Mr. Sutherland:

Q. It is your seed?—A. We supply the seed. We advance the grower his labour charges. We advance considerable money to him while he is caring for the crop.

By Mr. Sales:

Q. Is it necessary to do it?—A. Yes.

Q. If that were my contract I should want them to take all the beets grown from such an acreage.—A. I can only say we have never refused any of the beets.

By Mr. Grimmer:

Q. They will take all the beets they can get.—A. We have taken some losses.

The CHAIRMAN: I would almost imagine the member who is interjecting the question to the witness must have had some experience with your company or some other similar company.

The WITNESS: I do not know that.

By the Chairman:

Q. Well, continue, sir.—A. I think that covers pretty much all I want to say, unless there are some questions to be asked.

The CHAIRMAN: You had a question, Mr. Munro.

Mr. MUNRO: He has answered it.

The CHAIRMAN: Well, we are very much obliged to you.

By Mr. Sales:

Q. You say you have to advance the money to these people for the labour? —A. If it is requested we advance the money for the labour. This year the labour is contracted for by the farmer at $23.00 an acre. If the farmer wishes it when the work is completed to the satisfaction to the farmer, and he gives us an order, we are quite agreeable to advance that.

Q. I am trying to get at the financial position of the man who has to have you advance money for his labour.

Mr. FORRESTER: He means by labour, the thinning out and the taking out of the beet.

Mr. SALES: I understand.

The WITNESS: We pay the labourer about 20 per cent of the crop. The balance is paid by the farmers themselves.

By Mr. Sales:

Q. They evidently have not got much money in the bank or in their pockets.—A. We pay about 20 per cent.

By Mr. Munro:

Q. Do you charge them the bank interest?—A. We charge them the 6 per cent interest.

Q. Do you take a note from them?—A. Yes.

By Mr. Bouchard:

Q. What do you do with the by-products?—A. We dry the beet pulp and sell it as a cattle food.

By the Chairman:

Q. Has it got a good deal of nutriment value?—A. There is a considerable market for it now. The expense in buying does not leave us very much margin. At the same time, it used to be quite a puzzle for us to know what to do with it. We used to run it out into the silo, but it did not leave a very good odor, but we now dry it, and are able to make some margin on that commodity.

By Mr. Sutherland:

Q. We have a company known as the Wholesale Grocers' Association, who have assumed autocratic powers with regard to the fixing of rates throughout Ontario. I notice according to the rates which they fixed, that the rate to London is 43 cents per hundred pounds on sugar, and the rate to Brantford, which is about 40 or 50 miles farther on, is 42 cents, and at the intervening points—the rate at Woodstock is 62 cents, Ingersoll 62 cents, Tillsonburg 68 cents per hundred pounds. Now, the secretary of the Canadian Wholesale Grocers' Association in his evidence before this Committee stated that the retailer cannot buy from the refiner. The wholesale grocer is their distributing medium. Does that apply to your company?—A. We are not parties to the equalized rate system.

Q. Do you observe the rates that have been established by the wholesale grocers?—A. No, we do not.

Q. Any retailer can purchase direct from your company?—A. Any retailer.

Q. Who can pay cash?—A. The retail connection is our largest market. We have our own travellers and they solicit orders from the retail trade. We also sell, of course, the manufacturers.

Q. This, however, is not generally known throughout Western Ontario?—A. We have quite a number of accounts. We have in the neighbourhood of 15,000 or 20,000 accounts in the retail trade.

By the Chairman:

Q. What is your slogan advertising? I have an idea I have seen some advertising in the street cars. Dominion what?—A. "Dominion Crystals" is our name.

The CHAIRMAN: We would like to have Mr. Turnbull come back.

DAVID R. TURNBULL, recalled.

By the Chairman:

Q. Do you know anything about the way you sell your goods?—A. Well, something.

Q. Have you ever heard of a company called the Merchants Consolidated Company of Winnipeg?—A. Yes.

Q. We had a gentleman representing that company before us a month or so ago, and our indefatigable secretary tells me we sent a copy of Mr. Sly's evidence to you, because Mr. Sly made a complaint that although he was the manager of a wholesale company and prepared to pay for the goods, you refused to let him have sugar. Have you any reason to give to the Committee why, if your factory was only running at part capacity last year, you should turn down an order from third persons who wanted to pay for the goods?—A. I do not remember any order or offer or request coming in from the Merchants Consolidated to the Acadia Company for sugar of late, which we have refused, and we have in times past sold the Merchants Consolidated.

. Q. That is just what Mr. Sly said. He said that in times past they had bought sugars from you and that their drafts were met at maturity. He goes on in his evidence as follows: "When the market became a little more stabilized, and I figure that we could, with safety buy in carload quantities again, I wrote to the Acadia Sugar Company and asked them: 'Are we to understand that our name is still on your selling list for the purpose of straight car f.o.b. your Winnipeg storage?—We should appreciate a few lines from you by return mail.' That was written on January 26. On February 14 we had not had any reply to our letter, and I wrote drawing this to their attention and requesting an answer. On February 19, they wrote regretting delay in answering the letter but stated that it must have been lost during the removal of the office from Montreal to Halifax, and they said, 'We are sending copies of your letters to our brokers Messrs. W. H. Escott, of Winnipeg, who will see you and give you all the information necessary.

"Q. That was on February 19?—A. Yes.

"By Mr. Caldwell:

"Q. The present year?—A. Yes, this year. On March 31, I addressed another letter to them stating 'On February 19 you advised us that your Winnipeg brokers would communicate with us regarding sugar purchases. On March 27, as we had not heard from them, we wrote drawing to their attention, your letter, and requesting them to communicate with us at once on this matter. To date we have heard nothing from them. We are attaching herewith an order for shipment ex-Winnipeg storage and we shall be glad if you will advise us immediately you have sent the necessary instructions to your brokers here.

"Q. What date was that?—A. That was March 31. I attached a contract for a straight carload of sugar made up with the specifications that we wanted. The price was left open to be the list price prevailing on the day on which the order was filled, with the regular jobbing discount of 5 per cent. On the 5th of April we received a letter from them, 'Your favour of March 31 received, and have referred the matter of sugar purchases to our Winnipeg brokers, Messrs. W. H. Escott, who will immediately advise you regarding the same.'

"Q. You left Winnipeg what date?—A. I left on the 15th of April, ten days after this letter was written, and that is the last we have heard from the gentlemen.

"Q. Evidently they are not anxious to sell you?—A. Apparently not."

Q. What would be the explanation of that situation?—A. If that letter or order had come to my attention, which it did not, I would have told our Sales Department not to sell Merchants Consolidated. My reason for doing that is just this, that we had sold the Merchants Consolidated and they paid for the sugar all right. Competition was very keen at the time. However, the market broke, and prices got easier. What did the Merchants Consolidated do then? Did they stand by the Acadia and take more sugar? Did they buy from us? No. They went out and secured their sugar requirements from somebody else, probably from some wholesaler or retailer. In other words, they wanted to get other sugar and compete against our sugar after we had sold them, and I considered we did not have to stand for treatment like that, and we would rather not sell them, and that is why we would not have sold them.

Q. So it was not because they were an association of retailers who had formed a wholesale company for the purpose of conducting a wholesale business.—A. I cannot say that I really knew until I saw this evidence, that they were a combination of retailers.

Q. In other words, you thought that they had not behaved as a loyal customer should behave?—A. They had not.

Q. And therefore you did not want to deal with them? That is the explanation?—A. Yes.

By Mr. Sales:

Q. Surely there would be no complaint, Mr. Turnbull, when sugar was declining fast about a careful buyer buying in small quantities, rather than taking a chance in buying in carload lots?—A. Some people do it, I admit, but customers like that are not the most desirable customers.

Q. If it were a falling market and you thought it was going too low, you would buy as carefully as you could?—A. We cannot buy in small quantities.

Q. I do not see any objection to being careful in that regard.—A. We have no objection to their running their business in their own way. We are going to run our business in our way.

Q. It seems to me there has been some complaint about this Merchants Consolidated from Winnipeg. It looks as though they were trying to turn over all the business through a broker in Winnipeg instead of dealing directly with you?—A. Yes.

Q. Could you have any objection if they bought from that broker in smaller quantities in Winnipeg?—A. We want to sell in carload lots. That is really the only way manufacturers can succeed.

By Mr. Robinson:

Q. Where did you get your information that they had been doing this? —A. From the man we employ in Winnipeg. He gets a commission for selling our sugar there. He keeps us informed as to what everybody is doing, customers of ours, or some of our competitors.

By the Chairman:

Q. So to enjoy the privilege of carload lots from your refinery, they put in an order from time to time, and pay for the goods, but between times they must carry on the business in such a way as to meet the approval of the management of the Acadia Sugar Refinery.—A. We want to use our own judgment in how we run our own business.

Q. You have been complaining of the situation that confronts the sugar refinery, because they have not got sufficient market for their wares in this country. It seems to me that a person who is anxious to find customers and dispose of a larger output, should be willing when people come forward and are prepared to pay for their goods, to give them the goods. However, that is a matter of business administration.

By Mr. Grimmer:

Q. Your system is that you protect your customers and therefore you want to get and to keep regular customers?—A. Yes.

Q. You protect them and you want their business right along?—A. Yes, we want their support in bad times the same as in good.

By Mr. Sutherland:

Q. Do you observe the rates fixed by the wholesale grocers to certain competing points throughout the country?—A. Yes, we do.

Q. What are those rates based on?—A. They are based on a system of equalization got up many years ago.

Q. You possibly have heard some of the rates at certain points which I have quoted here?—A. Yes.

Q. Which are manifestly unfair. How do you justify such a condition as that you refuse to sell to people at these intermediate points where the high

rates are charged?—A. Well, that is rather a difficult question to answer. I have never thoroughly studied these equalized rates. However, they have been studied, and there is a report on the cost of living before me now, which has been made up by Mr. O'Connor, and I think it covers the situation in this respect. He says:

> "I am convinced that because of these systems and of their operation, sugar is reaching the Canadian consumer at a cost below that at which the refiner can sell it to the retailer or to the consumers direct."

In other words, this system has worked out satisfactorily, and we have no reason for questioning it. I have accepted it in good faith as it was, the same as I accept the shorter catechism and other Presbyterian doctrine.

By the Chairman:

Q. In other words, you follow the report and as far as it is a justification of the equalization of freight rates, it is to be taken as a matter of faith and doctrine and not to be questioned?—A. A matter of doctrine with me.

Q. Now as you are a Presbyterian we can ask this question with more confidence than we might have had before. Tell us, as one Presbyterian to another, did you get any letter from your brokers in Winnipeg suggesting or asking or inferring that they would like you not to sell directly to the Merchants' Consolidated Company?—A. I have heard of such a letter or some interchange of correspondence between our sales manager and our Winnipeg representative.

Q. Which would bear that interpretation?—A. It might.

By Mr. Sutherland:

Q. Mr. Turnbull, you have quoted Mr. O'Connor as an authority but he has not given any evidence to substantiate the statement he has made. I quoted the figures here from Montreal to Toronto 34 cents, and for a lesser distance, to Oshawa, the rate is 53 cents. A difference of 19 cents per hundred. Would you consider that Mr. O'Connor's statement will justify a discrimination of that kind? —A. After reading over carefully Mr. O'Connor's statement, I would think it was quite justifiable. I have not read the statement over lately. I read it very carefully at the time it was got out, and I admit that I learned considerable about the equalized rates at that time. I am not so familiar with them to-day.

Q. It seems very difficult to understand how for shipping 20 or 25 miles further, that 19 cents less should be charged on carload lots, cash on delivery.

By Mr. Sales:

Q. Mr. Turnbull, with regard to your export prices, do you get as much for sugar exported as you charge for the domestic prices?—A. No, we don't.

Q. How much is the difference?—A. It would vary, just what the difference would be I don't know.

Q. Have you got any figures with you on that?—A. No, I have not any with me at all.

Q. Some of the other men are going to provide those. Would you do that for the same period?—A. I will be very pleased to.

By the Chairman:

Q. We thank you for your atendance, Mr. Turnbull, and is there anything further that you wish to say?—A. If I may, perhaps it is repetition, it may be a lot of repetition really, but it will not take me more than ten minutes, I hope, sir. This is in reference to your telegram, and the way in which I worked it out. The two prime factors in the price of refined sugar are, the cost of raw sugar, and the cost of converting raw sugar into refined sugar. Of these factors the first is entirely beyond the control of the refiner. Prices for raw

sugar are, for the purpose of the industry in Canada, entirely regulated by the current price in New York. The New York price, in turn, is governed by a number of factors which from time to time vary in their effect. Perhaps the most important of these are: the amount of the raw sugar crop in Cuba. The requirements in refined sugar for the domestic market in the United States. The demand for export to the European markets. The forecasts of Government Bureaux as to any or all of the factors just referred to.

In dealing with these factors in order, I wish to refer to the actual and estimated figures relating to the available supply from Cuba this year and last year. On December 31st, 1921, there remained unsold Cuban raws to the extent of 1,225,000 tons.

By the Chairman:

Q. What date was that?—A. December 31st, 1921. In 1922 the crop amounted to 3,996,000 tons; giving an available supply of 5,221,000 tons for 1922. On December 31st, 1922, there remained unsold Cuban raws to the extent of only 8,500 tons; and the estimated crop for 1923 is 3,600,000 tons; or a total available of only 3,608,500 tons. This means that in 1923 the sugar industry is faced with a deficit of 1,612,500 tons or approximately 28 per cent less than was available in 1922.

Q. Of the Cuban crop?—A. Of the Cuban crop. And that is a crop that we feel affects us a very great deal right here. In my opinion the realization of this shortage by Cuban producers accounts in a large measure for the great advance in the price of raw sugar since January of this year. It is a clear case to my mind of demand exceeding available supply, which inevitably results in increasing prices.

Q. Excuse me for interrupting you. One of the refiners gave us a list of the raw sugars which they purchased this year. Without enumerating the amounts of these items, only three came from Cuba, and the rest came from other points in the West Indies or South America. Will you state whether it is possible that you over-emphasize Cuba?—A. I think not, sir. It is the price of sugar that is affected by this Cuban crop. It is not where we purchase sugar, whether we purchase in Cuba or other West India Islands.

By Mr. Sales:

Q. In purchasing you place orders for so many thousand tons. I notice that it looks as though it was bought by boatloads?—A. Of the non-preference sugar, that is of the Cuban sugar we buy, and the San Domingo sugar, and some of the West Indian sugar, we buy in steamer loads. That is the bulk of our supply.

Q. And you buy that in New York on the exchange?—A. We buy it through New York, the American Exchange. It is all American prices, and American money that pays for the sugar.

Q. If you order 10,000 tons that might be two or three boatloads containing that amount?—A. We would buy one load, which would fill a steamer.

Q. You buy and ship it afterwards?—A. We buy it through a broker in New York, who buys a steamer load at some point. The steamer goes to that point, gets the sugar loads it up and comes north.

Q. Do you take advantage of the option market?—A. Not at all. It is a case with us of buying against our demand.

Q. Why not?—A. I don't think that the option market in my opinion is legitimate business for a sugar refiner.

By the Chairman:

Q. Too chancy?—A. Too chancy altogether.

Q. Perhaps you have told us this before. How many weeks' supply ahead do you calculate to have on hand?—A. We were forced to carry at least one month's sugar. And then this other sugar is coming forward all the time.

By Mr. Clifford:

Q. Mr. Turnbull, do you always buy by the ton?—A. Always buy tonnage, yes; but it is paid for, so much per hundred pounds. There is no apparent source from which this shortage that I have spoken of can be made up, unless there is a corresponding increase in the production of beet sugar in Europe and America, but in this regard it is necessary to point out that refined sugar from this source cannot come on the market until the fall of the year. A large increase in plantings of beet is estimated, but it is difficult to state with any degree of certainty as to the results. In other words, weather conditions may intervene and the beet crop instead of being larger may be smaller. We cannot tell that.

By the Chairman:

Q. What did you think of these figures, a memorandom supplied to me by Mr. Doherty, the representative of the Institute of Agriculture, in our Government service. He estimates 1921-22 at 20,2252,000 tons. And the 1922-23 at 19,356,000 tons. That is about a million tons, or not quite, less. That is about your idea, is it not?

By Mr. Sales:

Q. There would not be anything in this situation, Mr. Turnbull, to create any panic or alarm in the minds of the consumers, leading them to increase their buying. They should make up their minds to be careful and not to buy too much until the beet sugar comes in in the fall?—A. Ordinarily I don't think there is much fear of a shortage. I think there will be enough sugar to go round. There always is. If there is not, the price goes so high that the consumption stops, until there is available sugar from the new crop.

Q. So that the public should not get panic stricken and go buying; and it might be well that the public should be warned.—A. I think that is perfectly all right, although I am not an advocate of public bodies putting up warnings, for the simple reason that industries are carried along by people who are intimately connected with that industry, and they for their own protection try to satisfy their customers, and they usually are able to satisfy their customers.

Q. I am putting it on this ground, Mr. Turnbull, that the evidence we have had to-day shows that there is some shortage, and if that statement is broadcasted to everybody, it is possible that it may start a rush to buy that will inevitably result in higher prices still.—A. Yes, that would be the inevitable result.

Q. So that a public warning through the Press might be useful I think.—A. It might.

By the Chairman:

Q. Would you size up the situation in this way Mr. Turnbull? That there is a production less than last year by not more than five per cent; that although this gives ground or justification for some advance in the price of sugar, still there is no reason to believe that there is not sufficient sugar to go round provided that consumption is reduced slightly. Is that a fair statement of the situation as you see it?—A. Well I think it is going to be a very difficult matter to reduce consumption. High prices will inevitably reduce consumption, but I think it would be a difficult matter to reduce consumption otherwise. I think as I carry along here with my statement we may come to that.

Q. Quite so. Proceed then.—A. While there is a great shortage in supply, the industry in the United States is facing an increased demand owing to increased population and prosperity. That is one main point in the United States. They are very prosperous just now. The building industry is an example of the prosperity of any country. There is more building going on in the United States to-day than there has been for very many years. That means that there is a very great deal of money in the hands of the ordinary people, and the ordinary people are usually the largest sugar consumers. And with the prosperity there is in the United States I see nothing but a considerable increase down there in the price and that is not going to affect consumption, until or if it reaches a very high point, as it naturally will. This factor contributes in some measure, although relatively small, as compared with the item just dealt with.

While there are good prospects for a substantial increase in the European beet crop, this item will not be available until the fall of this year. We therefore expect a steady demand for export from the United States until the end of October at which time the beet sugars should in some measure relieve the shortage.

Q. When you say a steady demand for export?—A. I mean to Europe. There will be an export, in my opinion, to Europe, right straight ahead; and that will relieve that shortage, because Europe must have sugar, and they are not going to get sugar until the beet crop comes in, and when it comes in the situation will be somewhat relieved.

By Mr. Sales:

Q. Do you mean Germany, France, Belgium and Austria?—A. All over.

Q. Have they the money to pay for it?—A. They managed to get the money last year to pay for it. I think they will have the money to pay for it this year. It is a necessary article of diet. They cannot get on without it. The publication of estimates and forecasts by Governmental Bureaux and investigators is in my opinion a dangerous practice, and has brought into the industry as a whole a very great incentive to speculation. We have this year seen the result of Mr. Hoover's forecast and the Canadian industry will not soon forget the experience of 1920 when our own Department of Trade and Commerce advised the people to lay in stocks of sugar. The demand increased to such an extent that the refiners were forced to buy large quantities of raws at high prices to satisfy the unnatural market thus created. By the time supplies arrived the demand had eased off, and the refiners were left with large stocks of high priced raws. This resulted in such losses that the refiners were brought to the brink of ruin, and were saddled with a load of debt that may yet prove fatal.

Before dealing with the subject of refining and distributing costs I wish to point out that the Canadian public has not been obliged to bear the whole of the increase in raw prices. Though an advance of $3.25 in the price of raws naturally involves an advance of approximately $3.70 in the price of refined the refined price has in fact advanced only to the extent of $3.10. This means that 60 cents of the increase is being absorbed by the Acadia Company.

By the Chairman:

Q. 60 cents per hundred pounds?—A. Yes, of the increase is being absorbed by the refiners. Refiners do not desire high prices. The situation is quite the reverse. What the Canadian industry as a whole urgently requires is increase output, which involves increased consumption which in turn can best

be secured by low prices. The refineries of Canada have a capacity that to-day greatly exceeds the requirements of the domestic market.

Q. By how much does it exceed the requirements of the domestic market? —A. I would say by at least 50 per cent.

Q. Surely more than that?—A. Well, 60 per cent.

Q. Take the aggregate of the refining capacity, there are six of you altogether?—A. Yes sir.

Q. What is your capacity?—A. One million pounds a day, say three hundred million pounds a year.

Q. That is the Acadia; take your next door neighbor in St. John, you cannot let St. John outdo you, coming from Halifax; what does St. John do? —A. If Col. Hobbins does not mind my saying so, I think I heard him say about 375 million, was his statement.

Q. Let us come to Montreal; we have the St. Lawrence?—A. I would expect about the same capacity, I don't know.

Q. Call it the same; he said about 375 million. Then the Redpath, the Canada Sugar?—A. Probably about the same.

Q. Then there is another?—A. The Dominion.

Q. Beet sugar institution, what is it?—A. 375 million.

Q. Then there is British Columbia?

Mr. Sales: What is it, Mr. Munro?

Mr. Munro: I don't know; it was estimated at 225 millions to-day.

The Chairman: If we add them all up, that comes to nearly two billions; what is the consumption in Canada?—A. About 800 million.

Q. Your capacity is two and a half times your consumption, so when you said it exceeded considerably you were speaking in very moderate terms?—A. That is so; it does exceed considerably.

Q. It was not the inaccuracy of the statement, it was its moderation I was reflecting on?—A. Such a situation is at some time quite inevitable in the history of a young and growing country, especially one of such size as Canada. I can only speak for the Company I represent, but I thinks it is applicable to the other companies also. The one thing we desire is an increase in the domestic demand, and we realize that next to increased population, low prices will most materially contribute to this end. There is a further fact relating to the industry that I wish to bring out. Nearly all buyers of refined sugar are kept, through news bureaus, in as close touch with the market conditions as the Canadian refiner and are in as good a position to forecast rises and falls—

Q. There are very few that are kept better informed than yourself?—A. Equally well informed; informed of the action of the market as the sugar refineries are.

Q. The grocers are?—A. Yes; everything is broadcast all over the country. These reports go out from New York and other places, so that they are kept very well informed.

But there is this material difference. Canadian refiners must make their purchases of raws at least a month in advance of requirements, but the buyer can purchase for immediate delivery—

Q. Is not there just as much chance of the price going up as it is of coming down, have you not just as many chances to win as to lose by reason of the fact you have to buy a month in advance?—A. I think not; we have to buy in large quantities on that rise; as the market is going up that is perfectly all right, but we still have the large quantities on hand when the market falls.

[Mr. Turnbull.]

Q. I may be wrong, but it strikes me, suppose you buy with care, as you do, you have to buy a month in advance say of your competitors in the States, is not the price just as likely to go up during that month as to go down during that month?—A. No, a month is a long time.

Q. Thirty days in every case or thirty one?—A. A lot of things may happen in a month.

Q. Why are there more chances of the price going down during the thirty days that you have to buy in advance than there is of the price going up? I would say take it over a term of years the chances of your making something from the fact that you have to buy thirty days in advance would be just about equal to your chances of losing because you have to buy thirty days in advance? —A. I think not; I would not agree with that.

Q. Why, if there is an upward trend there must be a downward trend, prices always tend to a level?—A. Yes, but if you knew the psychology of the buying public you would know that the moment the price stopped at all they would absolutely stop buying, but the refiners still have their sugar.

Q. Does not the wholesaler take a mutual chance with you? He orders a car of sugar from you; how long will it take before he gets it to distribute it?—A. That depends on where he is.

Q. He buys it on the list price at your refinery at Halifax?—A. Quite right.

Q. By the time it gets to Winnipeg there has considerable time elapsed? —A. Yes.

Q. And the market may change, and it will affect him?—A. Yes, but not nearly to the same extent as the refiner who is buying a much larger quantity.

Q. There is the same element?—A. There is an element in it, but there is no question about it. As a result of this the buyer purchases heavily on a rising market and from hand to mouth on a falling market. He obtains the lion's share of the profit on a rising market and avoids a large portion of the losses on a falling market. The Merchants Consolidated you refer to is an instance of what I am trying to point out.

By the Chairman:

Q. Then you are only guilty of a general practice, and why single them out for punishment?—A. They are not; they are more guilty than the bulk of our customers; there is no question about that. The refiner correspondingly obtains a small part of the benefits of raises but bears the bulk of the losses on declines.

The second branch upon which this Committee desires information is: "The relationship which exists between the sugar industry of this country and that of other countries."

Speaking generally the only relationship that exists between the sugar industry in Canada and that of other countries is that of buyer and seller. Apart from the relatively small quantity of sugar produced from beets grown in Canada, this country is dependent upon the West India islands including Santo Domingo and Cuba for its supply of raw sugar, and Canadian refiners must purchase those sugars in the same market as the American refiners and at the same prices and upon the same terms. A large part of the sugar consumed in Canada is refined from raws grown in the British West Indies and consequently subject to the British Preferential tariff rates. The preference amounts to 85 cents per 100 pounds. In practice the British West India exporter gets the whole or substantially the whole of this preference. When Cuban raws are quoted at $6.50 preference sugars are quoted at $7.30 to $7.35. The duty paid price therefore is practically the same to the Canadian refiner whether

the sugar is imported under the British preference tariff or under the Full Duty Tariff.

It probably is the fact that on account of propinquity to a nation of 110,000,000 people, there are unconscious relationships existing which influence the industry in Canada and in the United States. Shortage in raws results in speculative buying of raws in the United States, this is followed by increased buying by wholesalers there. This condition as a general rule reacts on the Canadian wholesaler who also increases his purchases.

By Mr. Sales:

Q. You are of opinion that speculative buying has a considerable influence?—A. Any commodity which is as large as the sugar commodity there is bound to be speculative influence.

Q. It has been stated time and time again that it has been a perfectly natural rise due to the law of supply and demand?—A. That is quite natural.

Q. And yet you say there is speculative buying?—A. That has made a lot more fluctuations, the speculative buying has made the fluctuations but the natural conditions have made the steady increase of price.

Q. They started?—A. I think it was undoubtedly the Commerce Board of the United States that started it, not the speculators; speculators were waiting for an opportunity.

By the Chairman:

Q. Mr. Turnbull, an observation might be in order, that the sugar refiners seem to be somewhat critical of the government of their own country, not the present government but the former government of their own country, and also that of the United States?—A. Possibly we have paid enough to be slightly critical, sir. There is a similar decline in purchases in the two countries when supplies are plentiful. Perhaps these phenomena are not strictly speaking relationships at all. They are simply the reactions of two closely related communities upon one another.

While I can only speak with certainty in relation to the company I represent, I can say without hesitation that the prices of refined sugar in Canada are not fixed with reference to American prices, for refined. The basis of Canadian prices is the duty paid price of raws plus cost of refining and distributing. The margin of profit that is added to these costs is always small, has never exceeded one-fifth cent per pound over any extended period and on occasions has existed only as a minus quantity. There is perhaps some reiteration of what has already passed, but I felt that there were some points here that had not been touched on.

Q. We are very much interested; it has not been tedious at all.

WITNESS: There was another thing that I thought you might have some misunderstanding in connection with your authority from Messrs. Willett & Gray's circular which you were reading from, and while I have been a great student of Willett & Gray's, and I still read them, when you told me the date of that I remembered what you were reading, and I wanted to point out something to you in that, that you probably did not notice, that they are still holding their Cuban crop at four million tons in that Willet & Gray's.

By the Chairman:

Q. Yes, on the 26th April, I did not notice that.—A. Whereas there is not one authority of any standing in the world to-day that will credit Cuba with more than 3,750,000 or 3,760,000 tons, and I think that the real authority, that has the real sanction of opinion is that the crop will not exceed 3,600,000 tons.

Q. I might say that I nexer examined statistics on sugar crops until I think it was the day before yesterday, and I am just going on what was put before me? A. I think there is another point in that same issue that is well just noting, in case you get carried away, that the large amount of surplus that is shown in the supply at the bottom of the page, and that is the British West India, the production of sugar in British West India is about three hundred thousand tons more there than it was in Willett & Gray's first published estimate. British India practically consumes all the sugar she grows, she is not an exporter, if she grows three million tons she eats three million tons, if she grows two and a half million tons she eats two and a half million tons.

Q. It really is not a factor in our supply?—A. No, but it keeps that bottom figure fairly high.

Q. Let me ask you this question; supposing tonight you had a vision that it would be excellent business to drop the price of sugar 50 cents a hundred pounds, would you consider that you were under any obligation when you wake up in the morning, and being altogether in the same hotel, to tell Mr. Drummond and Mr. Houson and Mr. Hobbins and Mr. McConnell what you were going to do?—A. None whatever.

Q. You just keep that vision to yourself?—A. I would keep that vision to myself, and they would get it probably through some of their brokers the same way I hear of any change in price that they make. I usually get the change of price through somebody saying another refiner has advanced their price, what are you going to do; then I say—

Q. You say in the interests of the consuming public we must manage to leave it as it is?—A. I will do it or I will not do it, just as it suits me.

By the Chairman:

Q. We are very much obliged to you. We have a gentleman from Quebec who wants to speak to us about cattle.

LOUIS FORTIN sworn and examined.

By the Chairman:

Q. Where do you come from?—A. Quebec. I am here as manager for the Quebec Harbour Board.

Q. And you have some facts to present to us which you believe will be of interest to the agriculturists of this country?—A. Yes, sir. I am just going to speak from an agricultural and a national standpoint, and I have prepared this little statement which I hope you will allow me to read to you.

My object in appearing before you is to endeavour to point out the advantages which would accrue to the Canadian (and particularly to the Western Canadian) producer should the port of Quebec be utilized for the shipment to the overseas market of Canadian cattle.

Equipment.—We are at the present time equipped to receive, feed and handle cattle in the most expeditious and inexpensive manner possible. We have recently turned one of our large freight sheds, situated directly on the waterfront, into a cattle yard with accommodations for the feeding and stabling of some 2,000 head of cattle. These can be unloaded directly from the cars into this yard and from there into the ocean vessel without it being necessary to re-load or to do any further handling than the actual driving of about 50 feet on to the ship. At other ports including New York, Montreal, and St. John the cattle yards are situated at a considerable distance from the

steamship loading point, which means two handlings and in some cases three handlings, for in New York scows must be used to transfer the animals to the ocean steamships.

"*Rail Haul.*—By shipping over the Transcontinental from any point West of Fort William, the shipper will find that he effects a saving of 18 hours in time as between Winnipeg and Montreal and Winnipeg and Quebec. The route to Montreal takes about 90 hours on an average and to Quebec about 72 hours. The Transcontinental runs through a country where the temperature is much cooler, the curves and grades all along the line are much easier and lower than that of any other railroad, since it was the aim and object of those who constructed the Transcontinental to permit its engines to haul a maximum number of cars. The conditions viz., short haul, more equitable temperature, absence of shaking, save deterioration in the weight and health of the cattle.

"The Transcontinental Railway has made most complete arrangement for the watering and feeding of the animals in transit from Winnipeg.

"*Lost of Weight.*—It has been estimated by experts that the average bullock loses 100 pounds, in weight between Winnipeg and Montreal and on fat-grass cattle 10 per cent of his total weight. These same experts tell us that owing to the conditions above mentioned the depreciation in weight between Winnipeg and Quebec would amount to approximately 75 to 80 pounds, thus effecting a saving of 20 to 25 pounds on each bullock.

"*Morality on Oocean Steamers between Quebec and Montreal.*—In this connection allow me to call your attention to the following fact. In Montreal owing to conditions of navigation and loading which obtain there, cattle must remain on board ship at the dock from 12 to 24 hours before the ship leaves port and since shipment takes place as a rule in mid-summer, they suffer considerably from the heat and lack of air. Then when you add to this the sail from Montreal to Quebec, which takes another twelve hours, it cannot seriously be doubted but that the animals' health is seriously impaired. So much so is this the case that it is computed that practically all the deaths which take place on board ship occur between Montreal and Quebec, and that after the ship reaches salt water, about one hour from Quebec, the loss is practically nil. This condition is so well recognized that insurance companies have recently established a rate whereby the insurance from Montreal to Liverpool is $62\frac{1}{2}$ cents per $100 as against $31\frac{1}{4}$ from Quebec.

"In spite of these advantages and many others of minor importance, though the Western Canada shippers, including the Grain Growers' Association, have expressed their desire to forward cattle through the Port of Quebec since they are convinced that by so doing they will be enabled to obtain an appreciable advantage, yet ocean transportation companies have up to the present refused to furnish the necessary tonnage. These companies have on a number of occasions put forth what I may characterize as merely filmsy excuses for this refusal. They have stated that there was charge for wharfage and moorage in the port of Quebec and therefore the expenses were heavier. The Port Commissioners in reply to this have declared their entire willingness to make moorage and wharfage free. There was some mention of the fees for towing—the Harbour Commissioners are willing to absorb this also. It has been said that there was a loss of time in connection with loading part of the cargo in Montreal and part in Quebec. In answer to this we contend first that it is possible to obtain a full cargo of the most satisfactory kind in connection with cattle shipment. We have for instance the best of equipment for loading grain and this year, owing to arrangement made by the Commissioners, we are assured of a constant supply of that commodity. The same thing applies to

lumber, which in a large number of cases has in the past been shipped from points east of Quebec to Montreal because the ships outward bound did not stop at Quebec.

"In cases where it is necessary to take on a part cargo at Montreal, to be afterwards completed by loading cattle at Quebec, we submit that even in this case there would be very little loss of time since, as a rule, cattle are the last part of the cargo to be taken on board and certain delays invariably occur at Montreal."

By Mr. Sales:

Q. What are the fees for the tug?—A. To take the steamers into port and to take them out. We are going to absorb that charge, that is, the Harbour Commissioners are going to absorb that if it is going to be an inducement to bring the cattle via Quebec. We are assured of a constant supply of that commodity. In fact, we have 150,000 bushels of grain in the elevators now which has just arrived this spring, and we hope to have a continuous flow of grain during the coming season.

Q. That arrives by all rail route?—A. Yes.

Q. Do you ever get any from the small boats passing through Montreal to Quebec?—A. Yes, sometimes. We had two or three last year, but the largest quantity of grain we handled last year came by the C.P.R., by rail.

Q. Did you not get any when the Port of Montreal was congested?—A. No, sir.

Q. They hold the boats at Montreal and refuse to send them on to Quebec? —A. Absolutely.

Q. There was lots of room at the elevator at that time?—A. There was room at the elevator to take care of at least a million and a half bushels of grain. At Montreal they load cattle the last thing at night, between 9 and 11 o'clock, and the ship cannot leave the port before daylight, and as a consequence the cattle remain in the ship, in the heat, close to the wharf, all closed in, with no air, and that is the reason why so many die between Montreal and Quebec.

Q. Would not the same conditions apply to Quebec?—A. No, sir. The cattle would be in the open air, right on the wharf, in the stable built purposely for them on the wharf, and immediately the steamer is ready to leave, that cattle would be on the ship and away inside of two hours. I venture 500 cattle will load in two hours at the outside.

Q. Why do not the ships leave Montreal at night?—A. They do not on account of the narrow channel. They leave at daylight.

Q. What about leaving Quebec?—A. Any time of the night or day.

By Mr. Forrester:

Q. Is not the channel lighted?—A. Yes, but it appears they do not want to take a chance. That is something I cannot speak about with authority. (Reads): "Owing to the fact that the loading there must take place at night. The other facts to which we have called your attention, viz., the mortality which occurs between Quebec and Montreal, the loss of time, the saving in feed, we submit, more than outweigh any of the alleged inconveniences which shipping companies may have to undergo in stopping at Quebec to complete their cargo.

"To further emphasize the artificial disadvantages under which we labour, may I call your attention to the fact that the ocean freight on live cattle is the same from Montreal to Liverpool as it is from Quebec to Liverpool, viz., about $22.50 per head, although as you are all aware Quebec is 180 miles nearer the sea and there must be an immense saving in coal and time, and pilotage fees in favour of the latter port.

"In conclusion, we have after considerable trouble and by making every concession demanded of us, succeeded in arousing the interest of the Western cattle shipper and producer in our port and of obtaining their approval of the equipment and facilities provided for them. We are in a position as I have already said to handle cattle from the cars into the yard built on the dock and thence into the ships. The shippers are anxious to direct the traffic via this particular route and yet we find that the steamship men declare that they will not handle the traffic in this way.

"It is for this reason that we appeal to this Committee appointed to further the interests of the agricultural population and to better the condition of that important industry to bring in such a finding as will, should it be acted upon by Parliament, improve the condition of the agriculturist and be of considerable benefit to our national railways."

By Mr. Sales:

Q. Are you guaranteeing the accuracy of all these statements?—A. I am, and I am going to leave it in your hands.

Q. A saving of 18 hours by the Canadian National?—A. Yes.

Q. You are assuming they will always be on time.—A. That is barring accidents, of course. I believe I have the pleasure of speaking to Mr. Sales. I was recommended to your good offices by Mr. Power. As far as transportation is concerned, I had occasion to interview the General Superintendent of the Canadian National at Quebec, and he tells me that exclusive of stops, they will land a load of cattle, that is a train-load of cattle from Winnipeg to Quebec in much better than 72 hours, but he did not want to say how much less, but I know from the practical men, conductors and engineers running on the line—I had the opportunity of being a train dispatcher for a couple of years, and between Cochrane and Quebec I know every foot of the line there, and I might tell you that between those points, which is 456 miles, we can easily cover it in 26 hours.

Q. What about Cochrane and Winnipeg?—A. There are four districts between Cochrane and Winnipeg, and they claim they will cover each district in 8 hours. Of course, if they stop at Armstrong—that is exclusive of the running time—if they stop five or six hours to feed their cattle, it is up to the shippers to feed their cattle and give them proper care.

Q. How about the road between Cochrane and Quebec?—A. It is the very best, with very little traffic on it, and these cattle trains will make better time than a passenger train.

Q. How many stops will there be?—A. Outside of the way-stations from Cochrane, there would be O'Brien; O'Brien to Doucet; Doucet to Parent; Parent to Fitzpatrick; Fitzpatrick to Quebec.

Q. Have you got a station called Power on that line?—A. No, sir, further down.

By Mr. Bouchard:

Q. Did you read Mr. Sommerville's evidence given on Thursday, May 10th?—A. Yes, sir.

Q. Do you agree with his statement?—A. I have read Mr. Sommerville's statement with very much pleasure and I agree wholly with his statement. According to what I read, he made very true statements of the facts. He has just represented the conditions just as I see them.

By Mr. Sales:

Q. Have the Commission had any communications from the ship owners as to the objections for calling at Quebec?—A. I cannot answer that statement.

I do not know why they do not answer our demand to give us the proper tonnage. The Western producers, through their export agents, have stated to us that they were prepared to give us forty to fifty thousand cattle this year. They want to ship out via Quebec, but it seems the steamship companies are not prepared to stop until such action is brought to bear to help us out of the situation, to put us on a parity with Montreal, insofar as the tonnage is concerned.

Q. Have you had any communication refusing to stop at Quebec?—A. Oh yes, you have.

Q. You have written to them and they have answered?—A. We have written to them and they have answered that they could not book any ocean space from Quebec, although on the 23rd of this month, or later, possibly, an opportunity may be furnished the members of this Committee to come down and witness the first trial shipment we are getting from the Grain Growers' Association, that we have booked space for. Mr. Kennedy has booked space for 200 hundred cattle on the 23rd or 24th of this month.

Q. You had better make it the 24th.—A. I do not know exactly the date.

Q. That is a holiday for this House.

By Mr. Bouchard:

Q. Could you let know the exact date of this shipment?—A. Yes. I am going to take that up to-morrow and I will let you know.

Q. How often would cattle have to be watered coming from Winnipeg to Quebec by Transcontinental and by other lines to Montreal?—A. I can tell you the feeding stations on the Transcontinental, that is the feeding points between Winnipeg and Montreal. I am not prepared to answer that question.

Q. But is not this a fact that cattle have to be fed about every 36 hours? —A. Yes.

Q. If your figures are right, they will only have to be fed twice on the road to Quebec and three times on the road to Montreal?—A. I understand they are fed four times between Winnipeg and Montreal.

Q. How often would they have to be fed on the Transcontinental?—A. They would have to be fed at Armstrong, Cochrane and Quebec.

The CHAIRMAN: Have we any other questions to ask Mr. Fortin?

By Mr. Bouchard:

Q. Is it not a fact that this year arrangements have been made with a number of canal boat companies to keep a constant flow of grain into the Quebec elevator?—A. Yes. There is a contract for 15,000,000 bushels to be supplied the port.

By Mr. Hammell:

Q. Do they take grain as part of the cargo on the cattle boats?—A. Yes, grain and lumber.

Q. Who is that contract with, the 15,000,000 bushels?—A. Thompson and Earle are one. That is outside of the rail transportation. It is outside my jurisdiction.

By Mr. Forrester:

Q. Is it coming by boat?—A. That I cannot tell you until it comes to Quebec. Whether it comes by rail or by boat, we are bound to have it, because we have contracted for that number of bushels.

The witness retired.

[Mr. Louis Fortin.]

APPENDIX No. 3

Executive Session.

The CHAIRMAN: The Committee will go into Executive Session.

Yesterday I had an interview with a gentleman who has had a very long experience in the West. He said he did not want his name brought into the matter, but he suggested as a means of helping the people on the farms particularly in the Western country, where he had lived for forty years, that radio stations should be established in different parts of the country; these would broadcast the market reports, dairy news, concerts and things of that sort, for the benefit of the farmhouses that are perhaps 25 miles away from the newspaper. He said he thought that if some of the money voted for immigration was devoted to that purpose, it would be well spent.

Hon. Mr. SINCLAIR: That might be a source of loss of time to the people. They would stop and listen to the music.

The CHAIRMAN: Oh no, this would be after the days work was over.

Mr. CLIFFORD: Some of them have radio machines now.

The CHAIRMAN: I told the gentleman I would bring the matter before the Committee, and that we would consider it. We do not need to discuss it now but you can turn it over in your minds.

Mr. HAMMELL: You do not mean that the Government should supply the individual farmers with installations.

The CHAIRMAN: Oh, no. This gentleman said: "I went out in the West forty years ago, I know the country and what the people have to put up with; there are women on the farms, away from the railway, who get in perhaps once a year, at Christmas, to the nearest town, and if we can devise a means to bring the women more in touch with their fellow human beings, it will be a tremendous service to those people." I remember that Mr. Garland, the member for Bow River, told me that in the hard times these people were going through, the last thing they wanted to give up was the telephone, because it kept the woman in touch with the other women, although they might be 15 miles away. You might consider this, gentlemen. To-morrow morning we should meet for a short time at half past ten to hear Professor Mackintosh of Queen's University. He is a young professor of economics, who has made a special study of marketing and distribution. I think that is a vital matter and I think we should have all the great Universities of this country helping us. Toronto University sent a man to whom we listened with a great deal of pleasure, and Queens is sending Mr. Mackintosh.

Mr. SALES: Are we going to discuss this question of radios for the country people or have you finished with it?

The CHAIRMAN: We might discuss it.

Mr SALES: Because I am going to say this: our people do not want charity; they want some of the burden taken off their backs so that they can stand up on their own feet. They do not want charity.

The CHAIRMAN: It was not so intended at all.

Mr. SALES: And when the people down here are ready to turn their minds in every direction but the one thing that will help them, I have not any faith in it.

Mr. MCKAY: But if these radios were installed, our friend here might send out a song which would be heard in the West.

Mr. SALES: I was going to retort but I won't. I have a matter now Mr. Chairman: Mr. Neill, the member for Comox-Alberni was relating to me his experience in the flour and feed business, and also in general trade, in buying sugar. He was refused on account of not belonging to the Grocer's Guild; they

would not accept him and he could not get it. That makes the connection complete, gentlemen. He will only take a few minutes and we can hear him to-morrow.

The CHAIRMAN: He can come to-morrow.

Mr. SALES: Or I will get him now if you say so.

Mr. MUNRO: When the report of the Committee is brought up in the House, he could say what he wished then.

The CHAIRMAN: You might put this before Mr. Neill; that if he wishes to state his views to the Committee, of course we will hear him; we cannot refuse to hear a member of the House; but you might say that we are anxious to bring our investigation to a close, we have to write our report and when we bring our report into the House, he will have an opportunity to give his experience then, where it will have a better hearing and greater publicity than if it were made a part of our record.

Mr. CALDWELL: There is this point to consider: if it were a matter of importance and the Committee would see fit to make a recommendation based upon it, that would be a reason for putting it through the Committee I suppose.

Mr. SALES: He wanted to convey the information to me, but I cannot put it on the record by stating it here.

Mr. MCKAY: We have had evidence on the point already, before us.

Mr. SALES: If the point is proved to your satisfaction, gentlemen, there is no use labouring it.

Mr. MCKAY: There is no doubt about it in my mind.

The CHAIRMAN: I want to bring in the report before the end of the Session.

Mr. MCKAY: I think we could shorten up our sessions now.

Mr. SALES: Very good.

The CHAIRMAN: Let me ask you to do this, gentlemen: we have our sub-Committees. I would like the members of those sub-Committees to read the evidence and prepare a report on the salient features appearing in evidence and stating their recommendations. Is not that a proper way to proceed, doctor?

Mr. MCKAY: Yes .

The CHAIRMAN: I do not think it should be left to me to go over the whole evidence and to bring in the report on everything. I would rather have the reports brought in by the sub-Committees to me; during the time that the sub-Committees are working, I will be working myself on the lines that I think important, and then when the work of the sub-Committees comes to me, I will draft a compilation of the whole thing and then we will as a Committee sit down and discuss the report. That is a work that will take us a number of days. We will adjourn now until half-past ten to-morrow.

(At 10.30 p.m. the Committee adjourned until 10.30 a.m. Thursday, 17th May, 1923.)

APPENDIX No. 3

HOUSE OF COMMONS,
COMMITTEE ROOM 268,
THURSDAY, May 17, 1923.

The Special Committee appointed to inquire into Agricultural conditions throughout Canada met at 10.30 a.m., Mr. McMaster, the Chairman, presiding.

The CHAIRMAN: Gentlemen, I wish to bring before the Committee a letter which I received from the Ontario Beet Sugar Growers Association from Chatham, Ont. It is dated May 14, 1923.

EXHIBIT No. 212

"A. R. McMASTER, M.P.,
"Ottawa, Ontario.

"DEAR SIR,—If it is within the province of your Committee to do so, our Association would request you to include in your report the finding of your Committee as to the justice of the price which the growers of beets received last season in Ontario in comparison with $7.12 per ton, received by the Michigan growers ($7.12 per ton, I think, is correct. It is taken from an article clipped from the Wall Street Journal.) You may not be aware that there has been a great deal of dissatisfaction amongst our growers in regard to the price paid for beets. As a consequence there has been a large decrease in acreage. If there is an increase this year, it is due to the fact that there has been a considerable acreage of winter wheat ploughed up and beets planted rather than sowing too large an acreage of spring cereals. Our interest in this question is not a selfish one. We would like to see the industry established on a sound stable basis, satisfactory to all interested parties, and to the best interest to the public as a whole.

Yours truly,

J. L. DOUGHERTY,
Secretary-Treasurer".

I have written to this gentleman to say that I am sending him a copy of the evidence given by the sugar refiners, and if after reading it, any further questions suggest themselves which I should put to Mr. Houson, I will send such questions to Mr. Houson by mail and ask him to reply. Mr. Houson was the gentleman from the Dominion Beet Sugar Company.

Mr. McKAY: These men contracted for a certain price, though.

The CHAIRMAN: Yes.

Mr. McKAY: Everything was above board. Where does the kick come in.

Mr. ELLIOTT: The growers have a great kick. They have had a raw deal from these sugar men. They have practically put the growing of beets out of existence in Waterloo county entirely. We used to grow thousands of acres. There is not an acre grown to-day.

Mr. SALES: How do they do that?

Mr. ELLIOTT: By unfair treatment. They absolutely cheated the grower at every stage of the game. For instance, they had an unfair system of testing beets. They had an unfair system of hauling the beets to the factory, and then we were docked a certain percentage of the tare at the factories. For instance, they would take a bushel of beets and they would scrape everything off, cut off all the roots and all the dirt, and that was to be your sample, for which you were paid for the entire shipment. The trouble was that they selected

those beets. They were not fair. They had the whole testing and everything else right in their own hands.

Mr. McKAY: Had you not protection on testing?

Mr. ELLIOTT: Not the slightest. Unfortunately I could not be here last night.

The CHAIRMAN: I wish you had told me about it. Mr. Forrester was here and he interjected some questions.

Mr. McKAY: They look like scoundrels.

Mr. ELLIOTT: That is the general opinion of the growers.

Mr. McKAY: I intended to ask them if their test was final.

Mr. ELLIOTT: We were paid a bonus on the price they received for their sugar during January. In fact, the trouble was they did not place in our market at the time, the great stock of sugar. The result was we were paid a lower price than we were actually entitled to, through the bonus. The bonus system seems very fair on its face, but really the way it works out we were absolutely at their mercy.

The CHAIRMAN: I would be glad to have had the witness confronted with that testimony.

Mr. MILNE: Have you any idea at what price you can grow beets profitably?

Mr. ELLIOTT: That varies. Under the system in Waterloo county, a farmer contracts to grow a certain number of beets. If we are short of labour they will supply labour to thin those beets, for which they charge you as high as $28. I have paid as high as $28. The farmer does all the work. They supply the seed and the company supplies the labour for which the farmers pay—I remember in one year I paid $28 an acre just for the hoeing of the beets, and the price we have been getting varies one year with another. It is a flat contract which varies one year with another. I could not say just what that contract is at the present time.

Mr. MILNE: According to the evidence we got yesterday, cane sugar does not go over 5 cents a pound. You could not afford to grow beets and compare with the sugar. If cane sugar dropped below 5 cents a pound, the beet business was—

Mr. ELLIOTT: I do not know anything about that.

Mr. SALES: It is very unfortunate we did not have that last night.

Mr. ELLIOTT: I could not be here last night, so I missed that.

Mr. GARDINER: I would suggest Mr. Elliott might prepare a statement and that the statement be incorporated into the report and have it sent down to the manufacturers and have them come back if they care to come back.

Mr. ELLIOTT: I would be glad to do that, if you would allow me to confer with the Secretary of the Beet Growers Association.

The CHAIRMAN: I would be glad to do it, but a great part of my work lies before me.

Mr. SALES: But we should see the two sides of this question.

The CHAIRMAN: We should. I am quite ready to do what Mr. Gardiner suggests, and we will deal with your approval, gentlemen, as follows. I am asking now that Mr. Elliott confer with those in the business with whom he wishes to confer, concerning this matter of the complaint of beet sugar growers as to their treatment by the refiners, and if after conference he deems it a matter which we should investigate, we will investigate it, hearing both sides. If that is satisfactory we will proceed to something else. I am asking Mr. Elliott

to confer with his friends who are in the beet root growing business and after conference if he feels that there is a serious grievance on the part of the beet sugar growers that they should be heard and also that the beet sugar refiners should be heard. Is that satisfactory?

Mr. HAMMELL: I would suggest you telegraph the Secretary of the Beet Growers' Association for Western Ontario to be here.

The CHAIRMAN: I would just as soon leave it the other way. Let Mr. Elliott have an opportunity of conferring.

Mr. MILNE: It seems to me the Committee would come in for criticism if we slighted the agricultural end of the business in any way.

The CHAIRMAN: That is Mr. Sinclair's view. I am quite willing to do it.

Motion agreed to.

WILLIAM ARCHIBALD MACINTOSH, called.

By the Chairman:

Q. Professor MacIntosh, you occupy a chair or a lectureship in Queen's University, do you not?—A. Yes.

Q. What lectureship do you occupy?—A. I am Associate Professor of Economics and Director of Courses and Commerce and Administration in the University.

Q. Who was the other professor of Economics. Dean Skelton is the head of the Department.

Q. Now, for the last two months, Mr. MacIntosh, we have been getting help from witnesses concerning agriculture, distribution and costs which farmers have to pay for their commodities as compared with prices they get for what they produce. I understand you have made a study of distribution and marketing and that you would have some thoughts to place before us on those subjects. I also understand that you would like to follow the ordinary procedure which we have followed in this Committee, namely, to give the witness an opportunity of placing his views before us in a statement and then questioning him. I also promise you from the outset that you might possibly be interrupted while you are making your statement, by members of the Committee.

Mr. CALDWELL: Not rudely.

The CHAIRMAN: Nothing is done rudely in this Committee.

Mr. SALES: Reserve that for the Banking Committee.

The WITNESS: I am in charge of the work in marketing at the University, and I did make some couple of years ago a survey of marketing, particularly co-operative marketing, but chiefly of western Canada. My knowledge of co-operative marketing in eastern Canada is perhaps more or less casual and has not been in any sense detailed. For the reason that this was made, as I said, a couple of years ago, I may perhaps not be so specific nor so detailed as you would at all times like. However, if I might state in the first place what I consider the general outline to be, I would say that it is this: you have had in the past years, since the war, a situation in which the circulation of goods, which we know as international trade, has been very seriously interrupted because certain links in that chain of international trade have dropped out, and the circulation has, so to speak, stopped. The problem, stated in very broad terms, is the problem of either going on without those links, which have chiefly been made up of the Central European countries or else rehabilitating those. Until that is done you have a considerable problem in all coun-

tries which have depended upon these markets. That has affected Canada, as you know, most in that part which most closely related, not geographically but commercially with the European market, namely Western Canada. The effect on Eastern Canada has been more a reaction than a direct effect upon that situation. That circumstance, sir, has exaggerated what would be, what perhaps we might call a normal depression, which would have come from the over-expansion which took place during the war, which caused us to produce beyond our capacity and would have brought about anyway a slump in business, and added to that there has been this drop in the purchasing power of European countries, which has thrown them out of the market for the time being and has exaggerated what I might call the normal depression which would have followed the war, and that abnormal feature has affected agriculture in this country. The additional factor upon which I think you have already heard evidence is the fact that in an attempt to save itself, the United States tariff has shut off not the market for agricultural products in Canada, but one of the trade routes to the European market, and that also has seriously affected—

By the Chairman:

Q. Just develop that and make it a little clearer to me?—A. I should say the high tariff in the United States did not so much take away a market for us as taking away a trade route to Europe. My idea was this: you have heard probably many conflicting arguments as to the effect of the American tariff. The American farmer is told it did him no good because his price was set in Europe and the Canadian farmer was told it did him no harm. That statement in general is true, but take the grain trade, the price of grain is ultimately set in Europe, but the grain trade is made up of a considerable number of successive pools, on which there is an excessive milling demand exercised. Ultimately both of these markets are brought into line with the Liverpool market, but as the exporter knows, for a considerable time our markets are out of line with the European market, and then the levels are gradually readjusted and the exporter comes in again, making a contract with Europe and exports wheat. That milling demand in the United States for wheat has been shut out from Canada, except, I believe, for some of the very best hard wheat, which appears to be essential to the American millers.

By Mr. Sales:

Q. On what ground do you make that statement, that the milling demand was shut off except for hard wheat?—A. Only on the ground that there has been some wheat passing to the United States.

Q. Is it not a fact that their system of grinding practically enables the miller to get his wheat without paying anything at all, that is, he can take Canadian hard wheat; he can buy it, pay the duty, grind it with American wheat, ship it out as spring wheat, and get the drawback of 99 per cent, so that, so far as milling is concerned, the duty is a farce?—A. Yes, I had omitted that.

Q. But it still goes through the same channel it always did?—A. I think I did emphasize wrongly the milling demand, but I think the fact remains that that channel for Canadian wheat has been shut off. Now, I do not think that that affects the ultimate price of wheat in Europe, but it does affect the competition for the farmer's wheat in this country. How serious that effect is, I have no way of discovering.

Q. Have you been studying the figures? How much of our wheat goes through Buffalo and American channels?—A. Yes, I know a considerable portion of it.

Q. It goes through in bond.—A. Yes.

Q. Therefore you are not correct in saying that channel has been stopped.—A. You do not think so? I see what you mean. The wheat can still pass through in bond.

Q. Can still and does still pass through.

By the Chairman:

Q. Is the professor not right, at least to this extent, that any artificial impediment will have the effect of rendering the flow less ready and there will be cases where there might be a very slight difference of advantage given by one route rather than the other, and these will throw the wheat into one channel of export rather than the other?—A. You will see that one per cent of duty on wheat for milling, by reason of the drawback, is very slight.

By Mr. McKay:

Q. It all passes through the channels of trade.

Mr. SALES: The other passes through in bond. We still have a large quantity going through these channels.

The WITNESS: Yes. I was going to say when I made the first general statement, that I was really thinking of the cattle industry more particularly.

By Mr. Sales:

Q. Yes?—A. Because there I understand you had not only the market as a factor in a defined area where cattle are fattened, but the cattle market problem is very different from the wheat problem. That was the point I was going to.

By Mr. Sales:

Q. I am not inclined to agree with you, Professor, that the European situation has played an important part as far as our grain is concerned. Had you been here at our Agricultural Committee a year ago you would have found by Dr. Magill's chart that wheat was high in September and early in October, about $1.40, I believe, and then it suddenly slumped down, and it came back in March to practically the same level. Even this year with Europe's depreciated buying power which you are emphasizing, wheat has remained fairly steady, and has risen in price. It seems there is a market for all the wheat we have even this year?—A. Yes, but at a price very much below the price that has been paid.

Mr. SALES: It is above the world's normal price.

The CHAIRMAN: What do you mean by the world's normal price?

Mr. SALES: I am taking the years I have been growing—take 1909 when we approached about a dollar, that was a great surprise; 75 cents would have been probably what you might call the average price for many years; so that you see now we received pretty near a dollar, and 85 cents in the beginning, that is above the average?

WITNESS: Yes, but the whole scale of prices is still very much above.

By Mr. Sales:

Q. That is where the trouble is; the other things which we have to buy have not come back?—A. That is because the falling of the European demand has not exercised the same effect on things that you buy as it has on the things that you sell.

By Mr. Caldwell:

Q. Can you explain why that should be true? Europe is buying the commodities that the farmers here buy; has not the demand for manufactured articles fallen off in Europe as well?—A. Yes, but Europe does not obtain anything like the proportion of manufactured articles from America that she does of agricultral products. European demand for manufactured articles is less significant on this continent than it is for agricultural articles.

Q. I quite realize that, but I don't see why it would not equalize the world's demand. If the demand for manufactured articles has dropped off in their own country, they have a surplus for export.

The CHAIRMAN: The answer to that is that our prices for manufactured articles are not ruled by economic laws, but by artificial laws.

Mr. CALDWELL: Absolutely.

By the Chairman:

Q. Is not that the answer to a large extent? After all the Professor is not here this morning to listen to us, but we are here to listen to him.—A. In answer to your question, Mr. Chairman, I do not like to use the term economic laws, that is to say simply the way people act in large groups, and they are not in any sense unchangeable laws, they can be changed just the same as the laws of nature can be adapted to people's uses. It is true, I think, that in many manufactured articles there is not the sensitive market that there is for a farm product such as wheat, and they do not reflect as quickly changes in general price conditions as does the commodity wheat, and in consequence you naturally always get a decline in such a commodity as wheat before you will in the manufactured articles, which the farmer is using. It is a general rule in prices that materials always decline before finished products do. There are some exceptions to that rule, but that is a general rule that is fairly sound.

By Mr. Milne:

Q. You think manufactured products will come down, do you, in price?—A. Yes; I think that readjustment will have to be made, but as far as what estimates I have seen the present prediction is for a fairly steady level of prices throughout the coming year; the bureaus which are engaged in investigating that all seem to be agreed that there will be a fairly steady or gently rising level of prices. That would not of course apply particularly to one commodity. Any one might go up or down, but the general level would tend to remain fairly steady. That, however, is not based on my own investigations. Well, Mr. Chairman, I merely have made this statement as introductory to say that it appears to one who is not an agriculturist, that the primary problem in agriculture as viewed from the point of view of general business in this country, is coming to be more and more a selling problem, and for that reason it appears that more attention will have to be given by all people connected with agriculture, and the improvement of agriculture to the selling end of the business where the profits are to a considerable extent to be made. That is not only true of agriculture, but in every field of manufacture. More and more effort has been concentrated not on production, but on selling—I do not mean that the production has been neglected, but that the production has been adapted to the sales department. The great difficulty that appears in agriculture is that the unit is so small relatively to a large commercial concern, that they cannot afford to develop what the manufacturer calls his sales department; that is there is just the one farmer usually, and he has to be all departments combined. That would lead logically to the conclusion that if the farmer is going to develop this aggressive sales policy that is characteristic of all other business, he will only

do so by combining those smaller units not for the purpose of production, because in most cases that has proved to be a failure, but for the purpose of selling; in other words some form of co-operative organization.

By Hon. Mr. Sinclair:

Q. Co-operative marketing organizations?—A. Yes; and the chief benefit it appears to me to result from that in various fields, is not what has most often called it into existence in Canada, namely some abuse that exists in the marketing organization as at present organized, but the most important result appears to be the very much better and more intelligent production and management among the members of such associations. That is to say, I do not mean that they may use farming necessarily in the technical sense that it may be used on an experimental farm, but they are business men who are running farms on a profitable basis, and they know what they have to produce, and how they have to produce it to meet what always must be the deciding factor in any business, namely the market on which you sell your goods. It is for that reason that I suggest that co-operative marketing does greatly improve the position of the farmer, because he is, what I would call a better farmer; that is to say I mean by better farmer, conducting farming that pays. That is the only test that I think a farmer can ultimately put forward, and it must cover a period of years; it cannot be stated simply as a test for a single year. That has been done, as I said, all through business. One of the most significant examples which struck me of the kind of thing that that results in, was in the case of the marketing of wool in this country. The marketing of wool has been immensely improved in recent years. Part of it has been a general improvement in the wool market, but part of it has been an extensive co-operative organization among wool growers, and a consequent great raising in the grade of wool that is being produced. That can, I think, be substantiated from the grading reports of wool as graded in the various provinces. One important point, I think, is this, that no matter how much an experimental farm or a government bureau may advise a farmer by the method of free pamphlets of what he ought to do, that is not nearly so valuable nor so effective as the fact that he discovers a discrimination in price for certain particular faults in his product. If the product has already left his hands, is out of his control altogether, by the time those faults are discriminated against in the market, he does not pay much attention to it; but if it is in his hands, and he gets a detailed return showing that certain wool was discriminated against and brought a low price because of some defect in its preparation for the market, he remembers that next year, and there is an improvement in the product which he sends out.

By Mr. Sales:

Q. How do you apply that to wheat?—A. That applies very much less to wheat because you have there a standard grade. It applies more particularly to these products where the grade has not yet been definitely set.

Q. And all the defects are pointed out to the farmer at the time of his selling?—A. Yes.

Q. Whether by the load to the local man or by the carload in Winnipeg?—A. Yes.

Q. Because he receives his grade there?—A. Yes.

Q. I was wondering how you were going to make your remarks apply to wheat?—A. I did not intend that particular part of it to apply to wheat or to any commodity where you have not your definite government grade given at an initial point. It applies very specifically I think to live stock, to dairy products, and to wool.

By Mr. Elliott:

Q. Have you any figures as to the co-operative marketing of wool in the last five years or since the organization of our co-operative association?—A. I am sure that I can give them to you right up to date; I can give you an estimate up to the last couple of years.

Mr. ELLIOTT: Mr. Chairman, this association to which the Professor refers has been one of the greatest success we have had in Canada, and I would like to get some definite information as to the increase in wool marketed through this association.

Mr. HAMMELL: Have you the report of it here?

Mr. ELLIOTT: No.

Mr. HAMMELL: I have it in my office or at the house; I will see if I can get it.

Q. Have you got some method for the co-operative marketing of wheat? —A. In the nature of a wheat pool?

Q. I do not know of what nature; have you studied the question at all? —A. I have studied what has already been done in the companies which now exist. I have not gone in any detail into the further amalgamation of those companies or co-operative schemes among them.

Q. Because after all that is the important thing?—A. Yes, that is the important thing?

The CHAIRMAN: May I make a suggestion, that we let the Professor go on and make his statement?

Mr. SALES: I am asking these questions now for this reason, that we will have to leave on call for the Banking Committee at any moment, and if the professor is going to deal with wheat I would like to hear what he has to say on that. If I have to go away for a few minutes I will be glad if that question of wheat marketing is left as long as it can be left, so that I may have a chance of asking the professor about it. I would like to hear the professor on that.

WITNESS: All right, Mr. Sales. I was emphasizing Mr. Chairman, what I call the very important educative effect of co-operative marketing, I mean the educative effect in that the farmer is a more intelligent producer. He is a producer who knows his market; but, as Mr. Sales suggested, that is less important in wheat than in other commodities, because you have the indication there of a government grade. But it might be suggested that the importance of these other commodities, live stock, dairy products, and wool, is likely to be increasing rather than decreasing in this country, that is in proportion to the cereal products, and in consequence, because to a good many farmers it is a relatively new field, the importance of knowing a market is very much greater. Take, for example, in dealing with live stock in Ontario at any rate—and I think it is true in the West—the old type of marketing through the country drover who might be many things in addition to being a drover, was one which usually gave the producer comparatively little knowledge of the market, and in many cases the producer did not desire that. The drover offered him frequently so much for various animals, and I have heard producers who said "Yes, but how much will you give me per head for the bunch?" He did not want to know what this one was worth and what that one was worth, but give him a round figure per head for the bunch. That is more or less typical of what the drover or middleman offered in the way of market intelligence. The drover himself might know very well, but the farmer did not know and was not instructed. Now, if the farmer himself controls his products as far as the central market he discovers what each and every animal that he ships there is worth in the eyes of the market. The consequence is that he is much more

forcibly instructed in what type of product to turn out than when he sold them to the middleman. The one greatset argument I think which one can make against the existence of too long a chain of middlemen in agricultural products, aside from abusive practises, is that essentially a middleman's business depends on volume rather than on quality of the product. That does not mean that a middleman what takes a very low view of his business and wants to build up the business of the people who send products in to him may not take a higher view than that, but his profits rather depend on volume than on the grade of his products; consequently where the farmer can get to the central market, as he does through the use of say a live stock shipping association, he becomes a very much more intelligent producer of live stock, although he still is subject to the fluctutations of the central market, and he cannot necessarily get any more than the middleman would have given him. For that reason it appears unlikely, as some have suggested, that the middleman would be eliminated. As long as the field remains open the good drover, the good wool merchant will always find a place, but the standard will be set, as it has been in some lines already, by the co-operative organization; and I think that is a necessary line of progress in Canadian agriculture. I think I mentioned that that appears to me to be more important because of the fact that we are going, I think we will have to go, through what many other districts on this continent have already gone through, namely change to what is familiarly called in some cases mixed farming, although it is not necessarily mixed farming. Just as Minnesota for example in the nineties changed over to predominantly, perhaps, dairy farming; so you will find districts in Canada changed more or less gradually to some other form than purely grain farming. That I think is already taking place in some districts, although I have not been in the West for a period of two years. With that the necessity for the improvement of the position of the producer as related to his market, becomes more apparent. That is to say, unless he has an organization by which he can get into the central market he is not so likely to make a success of the new products which is being called up to put on the market. That does not mean, I think, what is usually glibly given very often by people who are not farmers like myself, who tell the farmer that his solution is better farming. That is not a solution, I think most farmers at present, as before, are getting out of the extreme difficulties of the last few years not by better farming but by the very necessity of the situation, cheaper farming; that is they are just getting through as best they can. But I think you will find ultimately that as a better condition comes that in the agricultural markets the farmer will adopt changes and improvements in his production, which during the period of depression he has no resources to adopt.

By Mr. Sales:

Q. Do you still hope for an increase in the price of agricultural products?—A. Yes.

Q. I do not?—A. I may qualify that by saying that either we will have an increase in the price of agricultural products, or you will find that the price of other products relative to agricultural products will decline; that is to say, you would have a relative increase in the price of agricultural products.

By Hon. Mr. Sinclair:

Q. The purchasing power will be increased?—A. Yes.

By Mr. Sales:

Q. The price of what we buy is decreasing so slowly that I am afraid many of our people will go under before that increase is reached?—A. It is unfortunately decreasing slowly.

By the Chairman:

Q. It is not decreasing at all at present, the prices of all commodities are on the general rise, according to your statement, and I think you are correct?—A. Yes, I think that is correct, but I think—

By Mr. McKay:

Q. Sugar is going to jump high?—A. Yes. I did say, sir, that my opinion on that question was that the purchasing power of agricultural products must tend to increase, but unfortunately for the individuals concerned that increase may come very slowly, and the decreasing prices of specific articles which the producer has to buy may help him out. But his ultimate salvation I think must come through a rehabilitation of the European market. There appear to me to be only two alternatives in that case; either you have got to rehabilitate the European market which we depended on prior to the war, or else you must build up an entirely new trade organization which will depend to a less extent upon that market.

By Mr. Sales:

Q. Or the third alternative, that is that the farming industry in this country will be destroyed?—A. Yes.

Hon. Mr. SINCLAIR: Impossible.

Mr. SALES: I think there is great danger. You say impossible, but it just amounts to this, that the man who is in a losing business cannot continue in it indefinitely; he is going to quit, and the other man by reason of his debts accumulating is going to be put out of business by the sheriff; that is all there is to it.

Mr. STANSELL: I cannot say that I agree with Mr. Sales in the last alternative. I cannot see that farming will be put out of business, but I can see it, under the conditions Mr. Sales outlines, that it will be reduced to such a point that it will become unprofitable.

Hon. Mr. SINCLAIR: The conditions will adjust themselves.

Mr. SALES: That is exactly the trouble all the way through; we cannot convince you men that conditions are just as they are.

Hon. Mr. SINCLAIR: I am not disputing your conditions, but it is your conclusion that things are going to go to the bad.

Mr. SALES: They will go to the wall unless prices come down, and there is no evidence of them coming down, and no evidence of anybody trying to bring them down. That is the point that alarms me.

The CHAIRMAN: Let me interrupt the witness a moment. Mr. Houson is I think in Ottawa yet, and we will bring him back and question him along the lines you suggest, Mr. Elliott.

Mr. ELLIOTT: If Mr. Houson could remain over it might be possible to bring the secretary of this sugar beet growers' association here to-morrow morning.

The CHAIRMAN: What we will do is this, Mr. Gordon will find out if Mr. Houson is here, and if Mr. Houson is here he will request him to remain. Mr. Gordon will tell Mr. Elliott, and Mr. Elliott will get in touch with the representative beet grower in Ontario, and will have him here with Mr. Houson to-morrow morning.

Mr. SALES: Just on that point, Mr. Chairman, I would like to say this: take a man who is considered to be a fairly good farmer, above the average, for the last three years he has been writing a red ink balance of $2,000 a year. How long is he going to be able to do that? A red ink balance is a balance on the

wrong side. When times were good in '16 and '17 he bought Victory bonds, and he has been drawing on them for the last three years. I can bring you scores of people in that position.

Mr. STANSELL: How did he get into a position where he can stand an annual loss like that?

Mr. SALES: In those good years, '15, '16 and '17—In '15 we had the largest crop in our history and then we had the abnormal rise in prices. For instance in one year I marketed a wagonload of wheat and received $119. In another year I marketed 18 loads, and only received about $500. You see the difference. Now this man took care of his money at that stage, and he is now drawing on it, and has been for the last three years. I say that that situation cannot go on, and the man who has not a balance at his credit is gradually accumulating a pile of debt that will before long place him in the hands of the sheriff.

Mr. STANSELL: In your opinion is the Western farmer the only man who has had that experience in the last few years?

Mr. SALES: I cannot tell you that. I can only tell you what I know and I speak for the Western farmer. If you tell me the same situation applies in Ontario, I shall not disbelieve you.

Hon. Mr. SINCLAIR: Mr. Sales, I do not dispute your statement of the condition of the Western farmer, but if the farmers believed that these conditions were going to continue, they would all stop, they would not face a loss of another year. But better years will come and you have to judge these things over a cycle of years. You cannot take one or two years such as we are going through now.

Mr. SALES: If you can give me any evidence, Mr. Sinclair, of these prices coming down, or of a desire on the part of anyone to bring them down, I could find some comfort in the situation, but I fail to see anything of that kind.

Hon. Mr. SINCLAIR: It is the desire of everyone to readjust the conditions; there is no question about that.

Mr. HAMMELL: There is a decided trend towards better conditions.

Mr. SALES: The Chairman says there is not that trend; it is the other way.

Hon. Mr. SINCLAIR: The president has said that there is a rise in the price of commodities.

The CHAIRMAN: What I said was that there is a general tendency upwards in the price of commodities. I think that is what the Professor said.

WITNESS: That would include all commodities.

By the Chairman:

Q. Farming commodities as well?—A. Yes.

Q. And you say, Professor, if we start at the present moment in this condition, that the sale price of farm commodities is at a very much lower level than the price of general commodities. Now the hope for the farmer is to obtain a normal equilibrium. It does not make much difference to him, as it seems to me, whether the price of what he has to sell goes up or the price of what he has to buy goes down, he is interested in the equilibrium. Then if there is a rise in what he has to sell and that is shown also in what he has to buy, if they parallel each other, starting from a wide space apart, if they are going to maintain that space apart, an equilibrium will not be obtained. That is only my opinion.

Hon. Mr. SINCLAIR: As prices increase, even supposing the space they are apart remains the same, the relative position of the farmer will be better; unless the space becomes wider as prices increase.

The CHAIRMAN: If both prices go up in precisely the same ratio, will not the farmer's position remain exactly the same?

Hon. Mr. SINCLAIR: No, I think not.

The CHAIRMAN: In my view, the farmer's trouble is the difference in price between what he has to sell and what he has to buy.

Mr. SALES: Hear, hear.

Mr. STANSELL: There is a margin between the two, but the farmer sells more than he buys normally, so that if you raise the average, that margin does not affect him so injuriously.

The CHAIRMAN: There is something in that.

Mr. HAMMELL: If I may illustrate it in this way: there are two children, one a year old and the other two years old; he is twice as old as the younger; but when he is six years old and the younger five he is one-sixth older. The ratio changes.

Th CHAIRMAN: Still the younger will never be the same age.

Mr. HAMMELL: No, but the older they get the less difference there is in the proportion. That is a concrete illustration.

Mr. GARDINER: Mr. Stansell said that the farmer sells more than he buys. If that is the case we will have a breakdown in consumption. It is just the same as international trade, we have to buy as much as we sell; otherwise we will get in the position that we cannot sell. And the farmer will be in the same relative position; if he does not buy as much as he sells approximately there will be a breakdown in the industrial situation.

The CHAIRMAN: Is there not this difference, Mr. Gardiner, that the farmer differs in this respect from a clerk in a store or an operative in a factory; the farmer grows a good deal of his own living; I do not know whether he sells more than he buys, but he provides his own food to a very considerable extent.

Mr. GARDINER: The remark that I particularly applied myself to was the remark of Mr. Stansell, that a farmer always sells more than he buys. Now it is obvious that if that continues for any length of time, there will be a breakdown in industry, because if he does not buy the industrial products the industries will have to cut down their production to that extent. Our industrial and farming operations are an exchange of commodities, and if the farmer does not buy as much as he sells those other producers must naturally produce less.

Mr. HAMMELL: But the farmer will be accumulating reserves; accumulating Victory bonds.

Mr. GARDINER: He is accumulating nothing.

Mr. HAMMELL: Then those Victory bonds will be put put into other channels of trade.

Mr. STANSELL: Self-preservation being the first law of life I will have to try and extricate myself. I begin by saying that Mr. Gardiner and myself are both right. I said normally the farmer sold more than he bought. Over a period of ten years that is true. Normally also a farmer should—very slightly, I will admit, with a little experience—gradually improve his position until he reaches the age when ordinarily he should cease active effort; he should have a small competence to keep him for the remainder of his days. That is a very slow process. In certain individual cases it may never happen at all, but that should be the normal condition, and is if you take a number of years. What we sell more than we buy is represented generally by our real estate; we gradually sell a little more than we buy and put that money into the payments for a farm, and when we come to the age when we should cease work, the little

bit we have accumulated keeps us for the remainder of our lives and someone else begins at the bottom.

The CHAIRMAN: The normal condition is that when a farmer gets old, one at least of his sons has stayed on the farm and looks after the farm and takes care of the old man. That is a matter to which I would direct your attention.

Mr. GARDINER: I am quite aware of that, Mr. Chairman, but I submit that you cannot sell more than you buy for any length of time without a disturbance of the market. Mr. Stansell refers to the farmer accumulating something; but he admits that when the farmer sells more than he buys he puts the surplus into land. So in effect he buys. It does not make any difference in which form he buys; he must buy.

Mr. HAMMELL: If he puts it into Victory bonds as our friend did, he is buying Victory bonds and has that to go on with.

Mr. GARDINER: If the money for the Victory bonds is put into some other channel of trade that is all right.

Mr. HAMMELL: It helps to make the wheels go round.

Mr. GARDINER: But the statement that he sells more than he buys I do not think is correct.

Mr. STANSELL: If you take the commodities I have mentioned, whether it is in payment of a farm, or the purchase of Victory bonds, or a bank balance, you can say on economic grounds that he has sold exactly the same as he buys; provided you include that he buys a bank deposit, or insurance, land, Victory bonds, or whatever it may be. I took the other ground that he buys commodities, and I did not consider that as including bank deposits and Victory bonds. If you wish to extend it in that way it leaves us on practically the same ground, so that it is merely a matter of the way the proposition is stated.

The CHAIRMAN: You have shown very clearly how most of our disputes arise; because we have not been giving exactly the same connotation to the words we use. Now I think we will let the Professor go on.

The WITNESS: I said something of what appeared to me to be one of the most significant aspects of co-operative marketing; and I had also stated what appeared to me to be the most significant aspect of farming; namely the selling end, and what was ultimately the test, the profit making end of farming. For that reason—While I suggest it as one who is not a farmer—it has always appeared to me unfortunate that Government experiments in farming were not made from the point of view of the commercial result.

Mr. SALES: Hear, hear. I have been recommending that ever since I have been in Ottawa, but no one has taken any notice of it.

The WITNESS: I do not mean that the experimental and research work is not extremely valuable; but I think it should be on a separate basis, and I should like to see the results of the Government farm setting aside a certain part and let that be a unit farm and let accounts be kept to see what is good farming and what is not good farming.

Mr. SALES: You mean, by making it pay?—A. Yes, because no farmer can be a good farmer unless he makes it pay.

Mr. STANSELL: Mr. Chairman, that is a point that is well brought out and we might well spend a little time to impress it on the country. All our efforts have been directed towards getting the farmers to produce more; very little has been said about marketing what we have to produce, or how to produce at a profit. The point the Professor has brought out should be emphasized.

The CHAIRMAN: We have a branch which looks after marketing.

The WITNESS: This is all information. What I suggest is demonstration.

Mr. SALES: Hear, hear. Show us how to do it, and not sit at home and tell us how to go out and do it.

The WITNESS: Yes. Very often what they tell you will be good information and correct, but as I said, the thing about co-operative marketing is that it is pointed out most forcibly, this is worth more and will pay more. Now if you can show that on a farm, which can show its accounts and show its profits or its losses, it appears to me that that would bring about a great improvement, and by that I mean an improvement in the profits of farming.

Mr. SALES: Hear, hear.

The CHAIRMAN: Professor, Mr. Ruddick, the dairy expert, told us the other day about a cheese and butter factory that the Government have down in Finch, in Stormont County. He said it had been profitable from a commercial standpoint besides doing a good deal of experimental work. That is the practice which I understand you think should be adopted in regard to several of our experimental farms or at least parts of those farms, to have them run as a commercial undertaking and see what the outcome would be.

The WITNESS: Yes.

Mr. MILNE: You could not call them experimental farms then.

Mr. SALES: I think we should get away from the experimental farm and take say half a section in the West, good land with moderately good buildings, so that the overhead is not excessive, and put a young fellow there with what he needs to go on with, pay interest on it, and show the work on a commercial basis. Then if he can do that and show that this farm can be made to pay, when mine is losing, there is only one thing for me to do, and that is to follow the methods of this farm which has made a success.

Hon. Mr. SINCLAIR: The personal factor is involved there. One man might make such a farm pay and another man make a complete failure of it. Probably in nine cases out of ten it is the man himself who is falling down.

Mr. SALES: No, it has never been done from a commercial point of view.

Mr. MILNE: The Experimental Farms are not sufficiently representative of the country. A farm in the centre of Manitoba will prove certain things, and a farmer 100 miles away will be urged to follow those methods, and they may not be suitable for him; he may not have the right land. Each farmer must carry on an experiment of his own, working under the direction of the Experimental Farm; but if he does that and his own experiment fails he then loses faith in the Experimental Farm.

Mr. MUNRO: The same thing would happen with a demonstration farm. The man in charge might demonstrate that he could make money in one location, but that might not be so in another location.

Mr. MILNE: But you would not have all your eggs in one basket.

Mr. SALES: It would not be necessary to buy farms for such experiments. They could be rented.

Mr. MUNRO: I do not see any good in destroying the work of the Experimental Farms.

Mr. SALES: No one is suggesting that the work of the Experimental Farms should be destroyed.

Mr. MILNE: No, but the experimental work on these farms is not of value to the public in general.

Hon. Mr. SINCLAIR: You can draw your own deductions if you know your own conditions. If you allow for the different conditions you should be able to draw correct conclusions from the work done on the Experimental Farms.

Mr. MILNE: I am not condemning the work of the Experimental Farms; don't run away with that idea; but I claim that there is to much money spent on the Experimental Farms.

Mr. GARDINER: I think we are losing the value of the Professor's remarks, Mr. Chairman. His idea seems to be to bring the farmer in closer touch with the market so that he will be able to produce efficiently the class of commodity that the market requires. He is making a very valuable statement there.

The CHAIRMAN: Allow me to congratulate the Professor's students because the resulting discussion of his words this morning shows that he must provoke thought in his students, and that is the greatest quality in a teacher.

Mr. McKAY: I am beginning to think, Mr. Chairman, that the students are inclined to lecture the Professor, or at least to argue with him.

The WITNESS: That is an excellent quality in a student.

By Hon. Mr. Sinclair:

Q. How far do you think the Government can go in assisting marketing? You spoke about demonstration?—A. In what I said last about demonstration, I meant something that was entirely controlled and operated by the Government, simply as an illustration of commercial farming. In regard to aiding the farmer himself in his marketing, while there may be specific cases which would have to be judged on their individual merits, where the Government may go further into marketing, as a general rule I think if the farmer can look after his own marketing and let the Government merely clear the way for him, give him a fair field for his own activities, it is better.

Q. What do you mean by clearing a way and giving him a fair field?—A. If the farmer thinks and can demonstrate that there exists in some cases restriction of competition in the market, or that in some cases, as has already been done, where a farmer's enterprise starts heavily handicapped, because the field is already occupied, by securely entrenched independent interests, it might in an individual case—I would like to see the details of the case before making a specific judgment on it—it might be that the Government could overcome that handicap for the farmer. An instance which Mr. Sales knows more about than I do, is what the Saskachewan Government did in promoting the co-operative elevator, giving it a start by loaning funds. A farmer's company could not start there from scratch, so to speak, because there were powerful companies in the field and the industry was on which called for a very considerable investment of fixed capital.

By Mr. Sales:

Q. Your idea of Government aid is that it should do for the people what the people cannot do for themselves?—A. Yes.

Q. Good. I agree with you.—A. We might not always agree on what the people cannot do for themselves, but I think generally we might agree.

By Hon. Mr. Sinclair:

Q. Going a little further into that, Professor, as to what the Government can do to assist in marketing; what special functions can they perform that will assist the farmer, or how can the farmer meet the efforts of the Government and get a benefit from them when they attempt to assist him in marketing his products?—A. Apart from giving to the farmer usable market intelligence, I

do not know of very much that the Government can do, outside of such specific circumstances as I instanced, when occasionally the use of Government credit, or the clearing away of some obstacle, or something of that kind, might be effective. Ordinarily Government information is desirable, but too frequently I think, although it would be hard to give you a specific instance offhand, the information is not as usable from a commercial point of view as it might be, because the Government officials frequently have not got the commercial view of the case. If the farmer having developed a system of marketing, can obtain his own information, that is likely to be more valuable than that which the Government provides him with; in the same way that most of our commercial organizations, manufacturers and so on, depend on their own sources of information rather than those of the Government, because they are more nearly related to the exact sort of thing they want to know. The Government attempts to collect what everybody wants to know, and too frequently, almost necessarily, it is something which no one in particular want to know. That is, it is not adapted to the needs of any one particular person. And in consequence, if a farmer's marketing organization can supply itself with information, I think it is better than Goverment information. But Government information is much better than the information which the isolated farmer can get for himself. And I think the Government Bureau responsible for information should be very careful and give a great deal of care to the providing of information which is commercially useful and which is not simply statistically interesting.

Mr. McKAY: Is not the farmer handicapped, even if he is supplied with the best information, because farming at best is a gamble, is it not?

The WITNESS: I would not subscribe to that.

Mr. McKAY: This year he has not a good crop; next year, even under the best conditions of skill and information he will not have two thirds of a crop, due to natural conditions.

The WITNESS: Yes, that is true.

Mr. McKAY: The Canadian farmer ships his grain to the markets of Europe, so that the information he requires is world wide. He has to consider the production of the whole world, and that production varies from year to year, so that it is very hard for a farmer, even with all the information he can obtain from all parts of the world, to strike the level. He cannot adapt his seeding to it, he cannot adapt his work to it, he has to go ahead and is constantly engaged in a gamble.

Mr. HAMMELL: You are referring now to one-crop farming?

Mr. McKAY: Yes.

Hon. Mr. SINCLAIR: I do not think it is a gamble, doctor. There is a lot of gambling done, but not by the farmer. We are promised that seed time and harvest shall endure, and we get it as sure as the seasons come round. Crops are better in some years than in others, and we have reduced or increased costs of production, but we always get a return, and it is production, it is not the winnings of a gamble.

Mr. McKAY: What I mean by gambling is that the farmer takes the chance of a good crop; he is fighting the laws of nature.

Mr. SALES: Hear, hear.

Mr. McKAY: It is true that he has seed time and harvest. It is like the bird, which had its nest; the fox has a hole, because he is ignorant, and can do no better, but the bird has a nest because he builds it.

Hon. Mr. SINCLAIR: The farmer is not fighting the laws of nature; he is co-operating with them.

Mr. McKay: Even so, but still to a certain extent in the whole world's make-up farming is a gamble. Although partly dependent upon skill, it is very largely dependent upon chance.

Hon. Mr. Sinclair: To follow up what the Professor was saying, I quite agree with you on that, that the Government may do a great deal by giving market intelligence. May it not also render a good deal of assistance to farmers' selling organizations—provided the farmers will co-operate—by setting standards, and controlling by means of inspection, the quality of the product, keeping it up to standard so that the product of the farm, whatever it may be, shall go to the market in the best possible shape. Is there not a great field there for Government activity?

The Witness: Yes, there is. There are very great advantages to be derived from that for the reason that the marketing of those products which fall below the commercial standard, injures the reputation of all products coming from that producing area. If you can create a definite and high standard, then the reputation for the whole producing area is increased. There is a further advantage, that commodities which can be graded are more easily traded in and consequently marketing may be carried out more easily if they are graded. The practical difficulty usually comes in the first place in obtaining what is good commercial grade, some products being very difficult to grade; and in the second place there is frequently a practical difficulty in getting the farmers to adopt the grade, since it runs counter to all the customary habits of their selling and producing operations, and there has been I think in many quarters a good deal of opposition to Government grading of certain products.

By Hon. Mr. Sinclair:

Q. From what causes?—A. In many cases from the farmers themselves, partly because I think in some cases the Government grade was not well chosen.

Q. The standard?—A. The standard was not well defined, and some farmers felt it discriminated against the particular kind of product they were producing.

Q. Do you mean the standard or inspection. Was it up to the standard? The standard was not well defined?—A. The standard was not well defined. I think Mr. Ruddick had some difficulty with his dairy standards in that respect in Eastern Ontario. I would not say it was because the standard was not defined, but farmers stated that the standard did not fit their product and would injure some of them.

By Mr. Sales:

Q. I would like you to take a copy of this document where the Government has graded our wheat, kept the standard up and it has passed into the elevators, and you will see the result of the manipulation of the grades by the people who are interested in handling it. I would be very pleased if you would write and tell me what you think of the Government inspection?—A. I have a copy of that. I meant to read it.

By Hon. Mr. Sinclair:

Q. Following the question of standards as brought out, there are two benefits accruing to the farmer. First, it enables the man who produces a good product to get a higher price. That is one benefit that may accrue to those who ship through any channel, but the greater benefit is the elmination of the low grade stuff and bringing the general standard of production to a higher level. I want to ask you as a professor of economics, if it is possible to get a benefit to any greater degree through the organized channels of trade as we

know them, as against the idea of co-operative marketing.—A. It appears to me that it would be much more difficult for the reason that as I stated before, that unless the middleman or trader who deals in farm product is taking a very much longer view of his business than he ordinarly does, unless he is thinking of building up what might be called a clientele among the farmers, a farmer group, who will contribute products to his business—unless that is the case, his business depends rather on volume than on grade. In consequence there is no money motive for him to improve or insist upon the improvement of these products by the producer; whereas where you have, as in one case the Government grade, or where the producer is interested, or rather directly undertakes his own marketing, he has the motive to improve his grade, because his returns do not depend only on volume but on the quality as well.

Q. And while you might say that no middleman does that work, yet he has not got the money motive to encourage him to bring it home to the producer that he does not get as much for the low grade product as for the others? —A. Yes, I would agree with that.

Q. To encourage the farmers of Canada to produce a better grade of product for the market, you must show them that it pays them to do so.—A. Yes, I think so.

Q. In any marketing province the test of profit has to be brought in, the test as to how he can increase or decrease the supply of the product, and that goes back to the man who usually produces it.

By the Chairman:

Q. Increase or decrease the quality of the product as well?—A. Yes.

By Hon. Mr. Sinclair:

Q. In order that the agricultural population may get the full benefit of the assistance that may be given by demonstration, by intelligence and market information, or by keeping up standards, by inspection, free inspection, to get the full benefit of that, it is necessary for them to a certain degree, not wholly, but in a certain large degree to control the channels through which their products pass, in order that they may be able to bring back to the man who produces a low grade or dishonest article—if you wish to put it that way, because in a great many cases it is dishonest—in order to get the full benefit they must meet the action of the Government agency.—A. I think that is correct, and I think that extends further, that even outside of the action of the Government, that fact, that the farmer does find out what the ultimate decision of the market is in regard to his particular product, is extremely important, and I think you will find that one of the great agricultural reorganizations has taken place in the last century and was based largely on that in Denmark, where the Danish producer is perhaps one of the most intelligent producers in regard to the market for his product.

By Mr. Sales:

Q. What action did the Danish Government take in that?—A. At the moment I cannot give you offhand information.

Q. They did take some part in it?—A. They took part in it. It came after the decline of Denmark and Schleswig-Holstein was taken from them, but the Government did take active part, but I cannot say specifically what the details are.

By the Chairman:

Q. That is rather important. You feel that Government action in a way establishes different credits for different farm products, and will only receive

its full value if whether through a long cycle and honest middlemen, or preferably through co-operative effort, the value from a money standpoint of producing an article of high grade is reflected back to the original producer of the article.—A. Precisely, Mr. Chairman.

By Mr. Sales:

Q. You would insist that the Government grading should go all the way through with the article, that is, you would not be in favour of its being graded from the farmer, then handled by the middleman without the Government again having some control of the grade? For instance, we submit to the grading of our hogs in order to produce a good quality for export grading.—A. I think it essential that the Government grade should carry through, that is, for the carrying out of the benefit which I mentioned, to the market, which decides.

The CHAIRMAN: There is just one question Mr. Sinclair has to ask on a specific article, and after that I am going to lay down the rule that you are to be allowed to proceed without interruptions.

By Hon. Mr. Sinclair:

Q. If you do not wish to answer it, it is alright. With regard to the grading of farm products, I will ask you a question regarding eggs. We have standards for eggs set by the Government and protected by the Government. Is it a benefit to Canada for us to extend those standards to apply to imported eggs as well as eggs of our own production?—A. You mean imported eggs which are sold in Canada to the Canadian consumer?

Q. Precisely.

The CHAIRMAN: Are you thinking of this from the standpoint of the producer?

By Hon. Mr. Sinclair:

Q. I am putting it generally, the consumer and the producer alike.—A. I have never considered that specific point, but from the point of view of a permanent egg industry in Canada, if your foreign imports are of a relatively higher grade than your domestic production, there may be a temporary advantage to your producers in not having that shown by a Government grade to your domestic producers, but if he hopes ultimately to compete and to maintain his domestic market as against the foreign producer, then we must have some knowledge as to the relative qualities of those two products. That would be given to him by a Government grade. The poor producer, I should say would oppose it. The producer not meeting competition and who could meet the quality would probably favour it.

Q. In other words, is it your opinion that an article which comes into the country should be subject to the same grade as the article produced in the country?—A. I should think so, because you would have the same sets of circumstances as if you had two sets of grade for the same article. That of course, is an offhand judgment, because I have not considered that particular point before. Well, the discussion has brought out a great many points that I was mentioning. I have emphasized in connection with the co-operative market what I thought was important in a commercial demonstration on farming upon the part of Government farms, but I do not want to be understood as depreciating in any sense purely experimental and research work. I was going to say something that is perhaps not so important, that is in reference to co-operative purchasing, but as one looks over experiments in that thing in Canada and in other countries, it appears that success is much more difficult to achieve in co-operative purchasing because of the fact first that the problems are more numerous, the articles dealt in are more numerous, and secondly that frequently

the interest of the farmer is less existent. He will stick with the one product or the two or three products perhaps that he is producing, but he loses interest frequently in a dozen or a hundred products which he is purchasing, and a member of such a co-operative organization frequently is absent perhaps from most of his co-operative meetings. Now, I think that that does not apply where the farmer is purchasing a few highly important farm supplies, not simply goods which he uses more or less on a household basis. In that respect I think the farmer ought to be, if he can buy in wholesale quantities, on a wholesale basis, and while that type of co-operative purchasing is frequently attacked viciously by retailers, I think it is economically sound; that is, where the farmer has certain farm supplies that are comparable to mill supplies that the manufacturer has, he ought to be able to purchase them if he can make them up into wholesale lots on a wholesale basis, because he has to sell his product wholesale and he cannot afford to purchase retail. But you go further and get into co-operative stores and that sort of thing; then I think the former statement applies, that the products or the commodities handled become too many and frequently the interest of the farmer wanes. He has quite enough to look after in his production and his marketing and his interest is quite fluctuating. When his purchasing problems are very heavy, he will give a great deal of attention to it when times become better, but frequently he lets that phase of his activities decline, and the consequence is that the mortality among co-operative stores has been very heavy in Canada, and it would be difficult to say if they were successful or not. My own opinion would be that where a particularly good manager existed, or a particularly able group of farmers, it could be made a success to buy and large co-operative stores did not necessarily succeed because they were co-operative. Very frequently they failed because interest in them fell off, or the members of them in many cases were not willing to accept the necessary conditions of co-operation. In some cases I will say they were not perhaps able to accept them, particularly so in the case of paying cash and credit, for example; so that I would say there that so far as co-operative purchasing is concerned, the greatest benefit would appear to come from what might be called group purchasing of farm supplies, and that ought to be a free field for the farmer. If he wants to go into co-operative stores, that I think is a matter of community. He should be given a free field, but it is a more difficult field to succeed in. I have almost finished what I want to say. I was saying that I think in the co-operative purchasing of supplies, there is room for success. In the co-operative store movement, there is likely to be less. Where that store movement has succeeded most significantly in European countries like Great Britain, it has been on the part of people who gave a very great deal of attention to it and who were extremely ably led, although their leaders have come from among themselves. But the pressure of circumstances made them give attention to their purchasing problems (they being mostly workmen) which normally is not given by people on this continent to their problems of purchasing.

By Mr. Sales:

Q. The ten minutes is up; don't you think, Professor, that the failure in this country has been very largely due to organized opposition against us?—A. That has been I think in many cases a significant obstacle. It is very difficult to apportion the blame; but I think the other fact is also very important, Mr. Sales, that the farmer frequently will not stick with it in many cases because he finds his time is better occupied in other ways for a short period.

Q. And for this reason that the trade knows that if this thing succeeds it means the elimination of a number of them?—A. Yes.

Q. They win the farmer away by breaking their price at the beginning, by offering even a lower price than the purchasing society can sell at, and destroy the farmer's faith, and he is led along by such a very little thing to disregard his own institution. I will admit there is that side of it; but this is a part of a plan of those opposed to co-operation to break it down.

By Mr. Caldwell:

Q. I am interested in this co-operative store movement. You say the mortality has been heavy in the co-operative stores; don't you think that one of the large factors in breaking down the co-operative store is the fact that they have not been able to buy as wholesalers no matter how large a purchasing power they possess?—A. In many cases I think that is so.

Q. And then there is another, I have had some experience in this, we are operating thirty co-operative stores in New Brunswick at the present time, and I am one of the shareholders, and although we had one man purchasing for thirty stores, and his purchases were larger than any other one purchaser in the province, he was unable to get wholesale prices on everything?—A. Were those on goods which you actually sold through the stores?

Q. Yes. Another thing we found out on that point where we had a store—and there were a number of other stores—was that they organized, and one fellow would sell sugar, another would sell boots cheaper, and put his price up on the other things, and they would each take an article and undersell our store. However, our people were loyal, and we have overcome a great deal of that. But those are the things that put the co-operative store out of business; it is organized business that goes after it systematically.

Mr. ELLIOTT: We have illustrations of that in Ontario. The binder twine manufacturer has refused to sell the United Farmers Co-operative Company entirely, would not have anything to do with them, did not recognize them; but immediately they found we got our supplies from Ireland, they came across and wanted to sell us all kinds of products. That is not only true of binder twine, but of a great many other kinds of products. We have great difficulty in getting the interests to recognize our movement as a commercial operation, and they refused to sell us on a great many occasions.

Mr. SALES: And then they want to resort to the dumping clause and try to put you out of business.

Mr. CALDWELL: I don't think the manufacturer is inclined to put us out of business, but he says, we have notice from the retailers we sell to, that if we sell to the Co-operative Farmers' Company they will cease to buy from us; and we are protecting ourselves.

By Mr. Sales:

Q. You would take this ground, that flour handled in carload lots, twine, wire, sugar?—A. Yes, if you could handle it in carload lots.

Q. Of course we can, because the farmer can take his wagon right to that railway track and take it off, which is a more economical and better method of distribution. We tried all that, and the purchasing by these associations has been fought tooth and nail all the way through?—A. Did you not get to the stage where you could purchase most of those commodities which you mentioned by wholesale methods?

Q. We have got where we can purchase twine?

Mr. HAMMELL: Twine is on the free list; the dumping clause does not apply to that.

Mr. SALES: They tried to make it apply.

Mr. HAMMELL: You could not make it apply when it is free.

Mr. SALES: They tried to make it apply. This is the difficulty we find in trying to buy, you must have a retail store and sell over the counter before you can buy it from the wholesaler, and as for getting the sugar factories to sell you a carload of sugar you simply cannot do it.

WITNESS: Yes, I knew that was the case with sugar; have you not been able to buy flour?

Mr. SALES: Not always.

WITNESS: Not at first, but I thought you had—

The CHAIRMAN: The thought strikes me, and lest I forget to mention it now, would your co-operative take a carload of maple sugar if the producer in my county gave you a carload, Mr. Sales?

Mr. SALES: No, I don't think it is used widely enough, but I will tell you what I will do, I shall be very pleased to take a box and sample it.

Mr. MUNRO: I was going to make this observation in connection with co-operation; we have had quite a lot of it in British Columbia; I suppose we have the finest co-operative association perhaps in Canada. All the influences are at work that the Professor has indicated, likewise the other things that have been suggested by members of the committee. But I would say this, the primary cause of all the difficulties we have suffered is due directly to the farmer himself, because he will break away if he knows he can get a little inducement of a lower price from some other store. That is the main source of trouble. If we stuck together we could get the results every time.

Mr. SALES: I would like to give you our experience in co-operative buying in 1914.

The CHAIRMAN: You might say who you are.

Mr. SALES: I am speaking of the little co-operative association we have in Langham, Saskatchewan. The bankers had been advising us to go into mixed farming, and then came the question of purchasing wire. We called a meeting of the farmers at the schoolhouse to discuss this question, and we found, Mr. Chairman, we had three prices on barbed wire in our town. The man, for instance, who could pay cash or who could send his money to town, got a price of $4 per spool of 80 pounds; the man who ran on credit and paid at the end of the year probably got a price of $4.25; the man who did not clean up at the end of the year had to pay $4.50. Those were the experiences of farmers related at that meeting. We purchased a car of wire direct from the Wire Fence Co. and we laid it down in our town by the car, at $2.49 a spool; and our merchants at the same time were saying they did not care, because there was no money in barbed wire. That is what we did, sir. You can see the advantage to the farmer if he could purchase direct from the factory in these heavy commodities which could go direct to him by car.

Mr. CALDWELL: Products which nobody but the farmer uses.

Mr. SALES: Yes, but which are really his instruments of production. But whether we can get the trade to agree to that kind of trading being done I very much doubt.

By the Chairman:

Q. Now, Professor, you have not finished?—A. I think I had practically finished what I had to say, the co-operative purchasing was the last thing I wanted to say something about, and the questions and discussion have brought out pretty much what I wanted to say. I would be very glad to answer further questions, though.

Q. Have you ever examined the difference of exports to Europe in 1914 and 1922 or 1923? Your view is that a great deal of the decrease in the price of what the farmer has got to sell is due to the disorganization of Europe?—A. Yes.

Q. That has been my own view too, and I was wondering whether you had ever studied the statistics which would show us whether your view and my view were well founded or not. I have before me the statement which the Bureau of Statistics has prepared comparing the exports of agricultural products from Canada for the year 1914 with the year 1922. There has been on the whole a very considerable increase. Part of that increase is due to increase in value, and the other part is due to increases not only in value but in quantity. The increase in quantity on the whole would not have been very great had it not been for the tremendous exports of wheat and flour last year; but I have not got the figures on this same basis to Europe; I presume they are available, and I am going to ask for them. The recapitulation shows that in 1914 there was exported of farm products $247,407,611 as compared with $467,099,395 in 1923; that the increase was due to the extent of $126,220,493 from increase in quantity, and $93,473,291 from increase in price; but of that sum total wheat was responsible for an increase to the extent of $134,426,588, and wheat flour was responsible for an increase of $39,494,347. So if we take the increases in wheat and wheat flour (adding together the figures $134,426,588 and $39,494,347) that gives a total of $173,920,935.

Then taking that from the total increase ($126,220,493 and $93,473,291) of $219,693,784, we find that last year the increase over 1914 in values of agricultural products other than wheat and wheat flour amounted to $45,772,849; and that is a rather striking fact?—A. Yes.

Q. And it seems to me to show what tremendous importance our wheat crop, whether exported in its raw state or whether exported as flour, is to the country?—A. Yes.

The CHAIRMAN: We are very much obliged to you, Professor, and we have enjoyed your remarks very much; we regard them as of real value. We are very glad that your arduous professorial duties allowed you to get away.

The Committee adjourned until 10.30 a.m. Friday, May 18, 1923.

HOUSE OF COMMONS,
COMMITTEE ROOM 268,
FRIDAY, May 18, 1923.

The Special Committee appointed to inquire into agricultural conditions throughout Canada met at 10.30 a.m., Mr. McMaster, the Chairman, presiding.

The CHAIRMAN: Please come to order.

The Chairman presented a report of the expenses of the Committee to date, as follows:—

"The Special Committee on Agriculture has, to date, completed 72 sittings on 41 separate days, sitting for a total of 169 hours and 45 minutes, or an average of 2 hours and 22 minutes per sitting or 4 hours and 9 minutes per day.

"A total of 102 witnesses have been heard, their charges for expenses, etc., being $2,595.45, or an average cost of $25.84 per witness. Documents and articles to the number of 217 have been filed with the Committee as exhibits.

"The chief of reporters of the Committee Branch estimates that the cost of reporting the proceedings and evidence of the Committee will be in the vicinity of not more than $4,000, this charge including the typing and the preparing of the manuscript ready to be presented to the clerk for transmission to the printers.

"The vote for printing of reports, etc., for the Committee Branch of the House, is included in the general vote for the printing of Parliament. A separate account of printing is kept by the Bureau for the Committee Branch.

"The last account received from the Printing Bureau was for the printing of reports up to and including No. 15 of the Committee, which shows a cost of $1,657.03. Based on this cost and a total of over 2,200 printed pages of evidence we estimate the total cost for the printing for the Committee to be not more than $6,000, of which the cost of printing the tables composing report No. 23 and comprising the information furnished by the Grain Commission as to the amounts of grain graded in and out of mixing elevators is responsible for an estimated amount of $1,300.

"Over 36,000 copies of the reports have been distributed, or an average of 886 copies per issue. This distribution has been done by the clerical staff of the Committee without receiving assistance from other sources. The clerical help for the Committee has cost, to date, not more than $850. Telegrams, stationery, etc., may be estimated at $54.55, giving a total cost of $13,560, statement of which is attached.

"*Expenses, Special Committee on Agriculture*

Witnesses (102)	$2,595 45
Reporting	4,000 00
Printing (2, 200 pages)	6,000 00
Clerical help	850 00
Telegrams, stationery, etc.	54 45
Envelopes for reports	60 00
Total	$13,560 00

JOHN LORNE DOUGHERTY, called and sworn.

Mr. ELLIOTT: Just before the orders of the day are called, I wish to make a statement regarding an article which appeared in the press of yesterday and which has been given a lot of prominence. In this article the statement is attributed to me that the sugar refiners were a pack of scoundrels. I did not make that statement, nor do I think any member of the Committee made that statement. I just wish to have that statement corrected, and I hope the press will give prominence to this denial, because it is not true.

The CHAIRMAN: No such statement was ever made by any member of this Committee about the sugar refiners.

By the Chairman:

Q. You are the secretary-treasurer of the Ontario Beet Growers' Association?—A. Yes.

Q. These beet sugar growers or sugar beet growers sell the output of their farms to the Dominion Sugar Company, Limited?—A. Yes.

Q. Have you got any complaint to make about the price that this company gave the beet growers for their product last season?—A. I have.

Q. Tell us what the complaint is based on.—A. Mr. Chairman and gentlemen, I have not the evidence from the growers, but from my conversation with growers all over the territory, I do not hesitate to state that there has been a lot of dissatisfaction with the price paid last year in comparison with the price paid the Michigan growers.

Q. Let me ask you this question, Mr. Dougherty, do the Michigan growers operate very much in the same way as your friends do?—A. I think so. In fact, one of the Michigan growers took beets from the Lambton Company and I think they paid $7.12.

Q. Per ton?—A. Yes.

Q. $7.12 per ton.—A. Yes.

Q. What did you get in your part of the world from the Dominion?—A. Well, gentlemen, I cannot exactly say, but I have a pretty good idea.

Q. Give it to us as close as you can.—A. The contract last year was changed from the contract which has ruled for a number of years. In 1918 the growers, through their organization secured a contract—without going into the Minutes—secured a contract with the Dominion Sugar Company or a minimum of $9 a ton on a basis of $8 sugar and a bonus.

Q. When you say on a basis of $8, that means when sugar was sold at $8 per hundred pound by the refiners, is that right?—A. Yes.

Q. Was that last year, Mr. Dougherty?—A. No, that started in 1918 and was in effect in 1919-1920-1921. I should have stated there was a bonus of $1 per ton, according as sugar rose, $1 per hundredweight above $8. The result was that the growers received $12.29, I think, that year. I am just speaking from memory, because my notice was so short I did not look it up. It was around $12, anyway. Then last year, the contract was changed and placed on a basis of the sugar content of the beet, discarding the flat contract entirely.

Q. Did they discard the bonus feature too?—A. Yes. The bonus feature was discarded entirely. The contract last year at the rate of $4.50 per ton for beets containing according to tests as hereinafter provided, less than 14 per cent of sugar—anything under 14 per cent was paid for at the rate of $4.50 per ton. At the rate of $5 per net ton, according to the test made as hereinafter provided, 14 per cent of sugar, an additional 50 cents per net ton for each ton of sugar above 14 per cent, and proportionately for fractions of one per cent. So the contract last year was based entirely on the sugar content of the beet. As I stated previously, the complaint was general throughout the territory last year on this contract, and then after they had found out that the Michigan growers had been paid $7.12 in contrast to an average of about $5.50—I have not the exact figures on that, but it is around $5.50, the growers felt that they had considerable grounds for complaint.

By Mr. Elliott:

Q. Mr. Dougherty, do you know anything about the yield per acre in Michigan as compared with your yield in Ontario?—A. Well, I could have brought those facts along if I had more notice, but it is somewhere about the same, I think.

By the Chairman:

Q. What would be responsible for this difference in price between $5.50 and $7.12?—A. I think if I read a few extracts from the Minutes of our Association, you will see that there has been a struggle all along to get what the growers thought was a fair price, and I want to be fair. I brought this Chatham paper along with me this morning. I just came down last night and there is a report there, to which this gentleman referred this morning (Mr. Elliott), and I

brought this along because I think it is very unfortunate that reports of that kind get out, and I am glad it was contradicted here this morning, because what we want is the truth, and after we have got the truth and nothing but the truth, we will be able to make some statement which will be of service to probably the companies, the growers and the public at large, but statements of this kind are—

Q. That statement was never made and it has been contradicted, Mr. Dougherty. Just go on with your own statement, if you please.—A. The growers have I think, been quite reasonable, but the trouble is that they have been working in the dark and the company has the figures all in detail. They know their cost of production, and they know the selling price and they know the margin between. The growers do not know that, and when there are complaints of a company making very large profits and the growers find the fact, there is always dissatisfaction. I will not read from the Minutes. It is not necessary, but there has been dissatisfaction all along on the part of the growers.

Q. Well now Mr. Dougherty, has there been any dissatisfaction expressed by the growers with the method by which the beets were tested to see what sugar content they had?—A. Well, gentlemen, I have heard complaints that the test varied in the one field, but I am not putting that in.

Q. Were the tests made by members of your Association?—A. Yes.

Q. Were they people who usually tell the truth, people whom you know to be responsible, or were they people who talk more than they think?—A. Well, you know people always talk, and sometimes they have ground for complaint, and sometimes they have not. The growers have not the facts.

Q. The growers have not the facts, and not having the facts, they are disturbed, is that the situation?—A. Yes.

By Mr. Elliott:

Q. Have the growers any check on the tests made by the company, or do they have to accept the tests as given by the company?—A. That is entirely with the company.

Q. Do you know anything about how these tests are made, Mr. Dougherty. Suppose you are shipping in a load of beets, would you describe to the Committee the process it goes through, in the way of procuring these tests?—A. No, I would not care to undertake that.

Q. Well, you surely know what happens when your beets go to the factory? —A. Well, I have never been around there, but as far as I know, there is a small sample of the beets taken and put through a chemical test.

By the Chairman:

Q. Where do they take the samples? What do they do to the beets? Have you ever been in the business yourself?—A. No.

Q. Have you ever seen the business conducted, ever worked around it?—A. No, I have never worked around it.

Q. Have you ever delivered beets to the factory?—A. No, only through a hired man.

Q. Did you know what your hired man was doing, or were you ignorant of what your hired man was doing?—A. We had a rented farm, and we were not very much in touch with it.

Q. Well, Mr. Dougherty, you wrote to me and you said: "If it is within the province of your Committee to do so, our Association would request you to include in your report the finding of your Committee as to the justice of the price which the growers of beets received last season in Ontario in comparison with $7.12 per ton, received by the Michigan growers ($7.12 per ton, I think, is correct. It was taken from an article clipped from the Wall Street Journal.)

You may not be aware that there has been a large decrease in acreage. If there is an increase this year, it is due to the fact that there has been a considerable acreage of winter wheat ploughed up and beets planted rather than sowing too large an acreage of spring cereals. Our interest in this question is not a selfish one. We would like to see the industry established on a sound stable basis satisfactory to all interested parties, and to the best interest to the public as a whole."

Moved by that letter, we brought you before us this morning, as we thought you could tell us what the complaint was, at least, what it is based on, so that we can look into the matter, and if there is a grievance, suggest a remedy, but we will have to know about the matter.—A. Well, Mr. Chairman, probably I had better read from the Minutes a few extracts.

Q. All right.—A. (Reads):—

"Chatham, October 21, 1916.

"Meeting of over two hundred farmers in Harrison Hall at 2 o'clock. The purpose of the meeting being to organize a sugar beet association.

"Moved by Mr. Pickard, seconded by Mr. Wees that Mr. French act as chairman; carried.

"Mr. French took the chair and called for the appointment of a secretary. J. L. Dougherty was appointed secretary pro tem.

"Mr. French in a short address outlined the purpose of the meeting and called on Major Foreman. Major Foreman welcomed the visitors and said the greatest word he thought that the citizens of Chatham and the county of Kent should know was "co-operation." The oftener groups of men could get together in a friendly way, the better it would be for all concerned. The Chairman called on Mr. Hardy of Kent Bridge to say a few words on co-operation. Mr. Hardy stated that the price this year for sugar beets was not going to pay the farmers and be in a position to send the representative to meet the Sugar Beet Company so that business could be done properly.

"The Chairman then called on Mr. Frank Shaw of Tupperville. Mr. Shaw was very much pleased to see such a large crowd. He stated conditions now were very much different to the time when sugar beet growing started; labour and equipment had gone up very much but the price of sugar beets had not raised correspondingly. Beef, pork, grain, etc., has advanced in price, but the price of sugar beets had not raised as it should. Mr. Shaw said no man wanted to do any injury to the sugar beet factory. All they wanted was a reasonable price for their beets. Mr. Shaw said if the sugar beet growers organized and stuck together, they could get what they wanted, providing it was a reasonable demand."

By Mr. Sales:

Q. These are the Minutes of what?—A. Of the Ontario Beet Growers' Association.

Q. Do you get them all together? How many would be present at that meeting?—A. There were about 200 at that meeting.

Q. What was the date of that meeting?—A. October 21, 1916.

Q. 1916?—A. Yes.

By Mr. Elliott:

Q. That would be during the harvesting of the crop of that year, or was the crop harvested up to that time?—A. The crop was harvested at that time, pretty well.

By the Chairman:

Q. When does the beet harvest start?—A. Well, it varies a little, sometimes, about the middle of September; generally about the 1st of October, I think.

By Mr. Robinson:

Q. Do you know what it costs? Have you the figures to show what it costs the farmer to raise a ton of beets?—A. I have figures from one farmer.

By the Chairman:

Q. A good farmer?—A. Yes, sir.
Q. A first-rate man?—A. Yes.

By Mr. Robinson:

Q. What does it cost to raise a ton?—A. I drove seven miles for this yesterday, after I got the wire at noon, and this is a statement by R. J. Wilson of Charing Cross. He has I suppose about 6.35 acres of beets. I will answer that question now. Mr. Wilson had 6.35 acres of beets in 1922. He puts his ploughing at $25.

By the Chairman:

Q. That is for 6⅓ acres?—A. That is for 6⅓ acres.

By Hon. Mr. Sinclair:

Q. How many times did he plough?—A. That would be just ploughed once.

By Mr. Elliott:

Q. Would that include fertilizer and manure?—A. No. Tilling the soil, $15. That is preparing the soil for seeding. Drilling in the beets, $4.50; cultivating the beets, $35; rolling, $3.

By Mr. Robinson:

Q. This is for the whole 6 acres?—A. Yes. Ploughing out $18; Belgian labour, blocking and thinning of the beets, $50.80; hoeing, $12.50; lifting and topping, $50.80; drawing the beets, $77. Mr. Wilson had 77 tons and it is based on an average of $1 per ton over the whole territory. Mr. Wilson lives right alongside the shipping station. It would not cost him that much to deliver his beets, but $1 per ton is put down as a general figure for delivering beets over the whole territory. Labour, $291.60; seed, 80 pounds at 15 cents, $12; commercial fertilizer, $19.57.

Q. What would that labour include? Is that in addition to the farming, hoeing and tilling and all that?—A. That is the total for ploughing, tilling and seeding, and the Belgian labour, $291.60. That is the total of those items.

By Hon. Mr. Sinclair:

Q. You add to that the seed, the fertilizer, is that right, to the $291.60?—A. Yes, the seed, the fertilizer and rent.

Q. What is the rent?—A. 6.35 acres at $8 per acre, $50.

By Mr. Bouchard:

Q. Did he use farm manure?—A. Well, he has not put that in here.

By Mr. Hammell:

Q. Was it commercial fertilizer?—A. Yes.

By Mr. Bouchard:

Q. $19 for commercial fertilizer is not very much.—A. These are the figures I have got from the farmer. That is a total cost of $373.17. The total receipts were $488.05.

By Mr. Sales:

Q. Tons?—A. No, dollars.

By Hon. Mr. Sinclair:

Q. Seventy-seven tons?—A. Yes. That leaves a profit of $114.88.

By Mr. Bouchard:

Q. The manure will take the whole profit. He is supposed to use at least ten to fifteen tons an acre.—A. Well, sometimes your clover ploughed down takes the place of that organic matter. There is something here I would like to point out. Mr. Wilson has not charged anything for the depreciation of his machinery, an expensive beet drill, a beet plough, wagons which he has to keep up in good shape, good horses and harness, nor has he charged anything for management.

By Mr. Robinson:

Q. Was that price per ton fixed in advance. Did he agree to that before he started in?—A. Yes. That is a contract price based on the sugar content of the beet. There is another matter I wish to draw your attention to. Mr. Wilson's beets tested over 16 per cent, according to this contract.

By the Chairman:

Q. This contract was last year's contract?—A. This contract was last year's contract. They tested over $16\frac{1}{2}$ per cent.

By Mr. Sales:

Q. Is that high or low?—A. It is higher than the average.

By Mr. Elliott:

Q. What is the average, Mr. Dougherty?—A. Well, according to the information I have, 15 per cent is counted a good average.

By Mr. Robinson:

Q. The factory makes this test and the farmer has no check on the test?—A. He has the statement from the company.

By Mr. Sales:

Q. How much difference in the price would it have made if they were tested at 15, the average?—A. If Mr. Wilson's beets had tested at 15 per cent, it would have reduced his profits to $50.33, and Mr. Wilson had over 11 tons per acre.

By Mr. Milne:

Q. Is that a small yield?—A. It is above the average. According to this Ontario Bulletin statistics for 1920, the average for Essex, Kent and Lambton is given as approximately 13 tons, but that is wrong, as far as I know. I think that must be an estimate, because the average is more like 9 tons, and there are figures on record to bear out that statement, but as I said, my time was very short yesterday, and I had not it with me. Taking Mr. Wilson's figures of his cost of production and a 15 per cent beet, it is a good average, and taking

nine tons of beets on an average over the whole territory, and that is what we have to work on, the average, there would have been a loss of $29.67, according to last year's contract.

By Hon. Mr. Sinclair:

Q. On Mr Wilson's 6½ acres?—A. Yes.

Q. Mr. Dougherty, do they not use more fertilizer than you have given us there? They must have used valuable manure?—A. It would not be necessary if they had ploughed down clover.

Q. Is that a common practice of Mr. Wilson's?—A. He uses a lot of manure, because he has a big stock.

By Mr. Sales:

Q. What is the largest percentage of sugar you get? Fifteen per cent is about the average, is it not?—A. They do not average 15 per cent every year.

Q. What would you consider a high average?

By Mr. Bouchard:

Q. Do you get 20 in some cases?—A. They have run up, I think, as high as 20 per cent, 19 and 20.

By Mr. Elliott:

Q. Has the grower any influence over this test by way of cultivation? Can he increase that test in any way?

Mr. Sales: You mean the amount of sugar?

Mr. Elliott: Yes.

By the Chairman:

Q. Does it depend entirely on problems, or can a man manufacturing beets get a little more sugar by putting in better manure, or ploughing or what?—A. Do not take this as evidence.

Q. Experts are allowed to give opinions. Sometimes they are taken with a grain of salt and sometimes with two grains.—A. Well, the grower, I think, has very little influence on the sugar content of the beet other than keeping his land in good condition and cultivating it properly.

Q. You have a smile on your face. You have a thought at the back of your head. Let us have it.—A. No, I want to be quite frank, but I have not any evidence to back up these statements. Anything that interferes with the gradual development of the beet, the gradual growth of the beet, like dry weather, I think would have an influence on the sugar content of the beet.

By Mr. Elliott:

Q. Will sunshine have any influence?—A. Yes, you have to have sunshine for sugar to form in the beet.

Q. Will excessive moisture affect the beet?—A. Yes.

By Mr. Sales:

Q. Would that lower it?—A. It will lower it at the time of your lifting.

Q. And excessive moisture.—A. Yes.

By Mr. Robinson:

Q. Is there any question of the accuracy of the test. The factory does all the testing and they take one man's tests, 16 per cent, another's, 18 per cent, and somebody else, only 12 per cent. Is there any question of the accuracy of their test?—A. I think possibly the companies want to be fair, but there is always complaint on account of the farmers not having a check on it.

By Mr. Sales:

Q. Would you suggest a Government tester for that purpose?

By the Chairman:

Q. I suppose it would depend a good deal on who would have to pay for it. If the farmer would have to pay for it, you would not be quite so sure as to its wisdom. Is that what you are cogitating about?—A. No, gentlemen, it is not that, but in my humble opinion because the beets are coming in so fast there that I cannot see how the tests can be all put through and put through accurately, and the growers complain along that line, and they feel that a contract based on a flat price with a bonus, according to the price of sugar, is more fair, and they are quite satisfied to take that form of contract.

By Mr. Elliott:

Q. You have stated that cultivation has very little effect and yet we know this, that in the same district, perhaps, farms side by side with the same climatic conditions, the same sunshine, the same rainfall, there is a great variation in the test of these beets. Can you account for that other than the statement you made?—A. If I made that statement, I would want to modify it. I think the best results would be attained by good cultivation and keeping your soil loose. The mulch on top has a considerable influence on the moisture content of your soil, and it is my opinion that there would be a difference in test between soils kept in that good tilt and soil which had been neglected, so that the poor farmer might possibly get a lower sugar content, but these things have not been proven.

By the Chairman:

Q. Have the Experimental Farms not made investigations to demonstrate the best way of growing beets?—A. They have made tests, but I do not think there is anything on record to show the difference in sugar content between a soil well kept and a soil poorly tilled.

Q. After all, that is what you are trying to get at in growing beet root sugar, to try and get sugar with the most sweetness in it?—A. Your tonnage has considerable to do with the yield to the farmer.

By Mr. Robinson:

Q. What would the factory want. Would they want the beets to test high or low?—A. Well, it would be to the advantage of the factory to have a high test in the beet. I do not think the factories want to sacrifice tonnage too much.

By Mr. Sales:

Q. Is not the soil in some districts better for beet growing, than others?—A. Yes.

Q. There would be a considerable difference in the sugar content on that account?

By Mr. Elliott:

Q. Like light soils compared with heavy soils.

By Mr. Robinson:

Q. Yes, or black loam compared with clay.—A. It is generally accepted muck soil gives a low sugar content and a fairly heavy clay gives a better testing beet, but I am told that the Dominion Sugar Company on some of that really low muck soil last year got some high testing beets, which upset their experience in the past, so that these things do not always work out.

By Hon. Mr. Sinclair:

Q. Was it a dry season last year?—A. Yes, it was dry. In fact, the beets on the light soil were higher considerably; it was a sandy soil.

By Mr. Sales:

Q. So that the recommendation you have to make, is a flat rate?

By Mr. Sutherland:

Q. The commercial fertilizer applied on that black loam would have a considerable effect on the quality of the beet, would it not?—A. It should, but rainfall has considerable to do with that. If you put the fertilizer on in the rich and dry season, you will not get any good result from it.

By Hon. Mr. Sinclair:

Q. Does your association represent beet growers pretty generally?—A. Yes.

Q. Has your association had any conference with the Dominion Sugar Company with regard to testing?—A. Not in regard to testing.

Q. In regard to any of the conditions which have existed or complaints that the growers have had?—A. Yes, gentlemen.

Q. What was the matter discussed at those conferences?—A. "On January 31, 1918, in the afternoon, the representative of the Dominion Sugar Company met the executive of the Beet Growers' Association, and after considerable discussion agreed to give the growers the price asked for, namely, $9 per ton, guaranteed on an $8 basis for sugar and a raise of $1 per ton as sugar raised above $8. The Director promised to do everything possible to assist the company to secure large acreage. A very friendly feeling now exists between the representatives of the company and the members of the association."

Q. That meeting was at the time of the contract for the beets?—A. Yes. That was the first time that the executive of the Association and the representatives of the Dominion Sugar Company got together and agreed on a set price.

Q. That was in 1918?—A. Yes.

Q. The whole subject of the conference was the matter of buying beets, or agreeing on the price?—A. Yes.

Q. Were any of the other points of difference discussed at that meeting, between the growers and the farmers?—A. No, not at this meeting.

Q. At any later meeting?

The CHAIRMAN: Mr. Houson, are you able to hear the replies of the witness? If not, we would be glad to have you come forward.

Mr. HOUSON: I can hear quite clearly.

The WITNESS: I do not think that the other matters were taken up, except labour.

By the Chairman:

Q. Except what?—A. Except labour. It was difficult for the company to get labour during the war. There was considerable dissatisfaction. It was difficult for the refiners to secure labour, and the farmers could not get labour when they required it, and sometimes lost some on their beets, but as I stated gentlemen, all along there have been complaints, but I think the reason for those complaints is this, that the growers have heard reports that the company was making big money, and they felt that they were not being let in on that, as they should.

Q. Was the company making money with cane sugar or with beet sugar?—A. I am not prepared to say, gentlemen, we have not the facts.

APPENDIX No. 3

By Mr. Elliott:

Q. From your Minute that you read there, you stated that there existed now—you used the word "now", a friendly feeling between the growers and the company. At any time did you ever have any other than a friendly feeling with the company?—A. No, I would not say so, but you know farmers are liable to express their feelings. As far as the executive was concerned, there would be nothing gained by—

By the Chairman:

Q. The feelings the farmers were likely to express, were they feelings of affection for the refiner? You say they were expressing their feelings. Were they feelings of affection, of irritation or of resentment?—A. I would say they were feelings of dissatisfaction, because they did not have the facts.

Q. Because they did not have the facts?—A. Because they did not have the facts.

By Mr. Sales:

Q. How often does your Association meet, Mr. Dougherty?—A. At the present time, once a year.

Q. One annual meeting, is that the idea?—A. One annual meeting.

Q. You have how many members in the Association?—A. Well I will give you the facts there, gentlemen. I have been trying to give you the facts all along. When the farmers secured a good price for beets in 1919 and 1920—it may have been 1920 and 1921, I am not sure yet, they were in glee.

Q. The membership dropped off?—A. It is only a voluntary organization.

Q. Is there any membership fee?—A. There was a membership fee of $1 a year, but that is left with the local secretaries to collect, and some of the local organization pay the fees and some of them do not.

Q. Do you still count them as members?—A. We count them as members when they come in and pay their fees.

Q. What was your membership in 1916, paid up?—A. I never had a roll of the membership. That was left entirely with the local secretaries to collect. It started at 25 cents per member. Then is was raised to 50 cents, the membership fee, then raised to $1.

Q. So you have no record of the membership?—A. I have no record of the membership.

By Mr. Hammell:

Q. Was there much money collected at any time in one year?

Mr. SALES: It is the old job of trying to organize the farmer.

The CHAIRMAN: It is a hard job.

Mr. SALES: It is the worst job I ever had in my life.

The WITNESS: We never received over $250 a year.

By Mr. Sales:

Q. Now, your membership at these annual meetings, is that a membership by delegation, or can anybody come?—A. It has generally been left pretty open to the beet growers.

Q. You do not get my point. You have locals with so many members. Do you say that a local having 20 members can send in one or two delegates, or are they elected in that way at all?—A. No.

Q. That is, it is simply a meeting of the beet growers, and anybody can come in, whether he is a delegate or not?—A. There was some discussion at one time of limiting it to delegates.

Q. You find your membership decreases when there is dis-satisfaction and in good times it increases?—A. Yes.

Q. We had the same experience in the west.

By Mr. Elliott:

Q. Coming back to that statement of that gentlemen which you got regarding his production, because I notice that he had almost 6½ acres, the total cost of labour, which I should judge includes thinning twice, put down at $50.80 for six acres, which is about $4.00 per acre.—A. No, there is $50.80 for the thinning and $50.80 for lifting and topping and $12.50 for the hoeing.

Q. That is what the factory would charge you for the labour they provide for those three processes?—A. Yes.

Q. What was the sum of this?—A. $114.10.

Q. It is $50.80, $50.80 and $12.50? You have two $50.80?—A. Yes.

The CHAIRMAN: How does it strike you? Is it a high or a low labour cost?

Mr. ELLIOTT: That strikes me as very low. That is what the factory would charge him for the work. It strikes me as being a low labour cost.

The CHAIRMAN: Very possibly that is the cost of labour, and perhaps he did not put in his own time.

Mr. ELLIOTT: This would include work done by his employees of the sugar factory.

Mr. ROBINSON: What does the Committee propose?

The CHAIRMAN: I do not know what suggestion the Committee can make to better the situation.

By the Chairman:

Q. Do you think there should be some arrangement made with the refiners so that if you are not satisfied with the test, you could call in a Government tester and inspector and have it tested?—A. That would be adding more expense. It would have to come out of the farmers' pockets?

Q. I do not think the Government inspector charges much. It would not cost very much money to have these tested.

Mr. HAMMELL: In the lumber business, what are called Government scalers, when the farmer sells a certain amount of rough logs to the company, the company would send in their scaler, if they are dissatisfied with the scale. They have the option of calling in a Government scaler to check the figures of the company scaler. Would not something in connection with that same principle work out in relation to beets, if the farmer were not satisfied with his tests as received from the sugar company then let him call in the Government chemist or tester.—A. It would be no use calling in a man afterwards. That man would have to be there at the time that the test was conducted.

By the Chairman:

Q. So he could take another beet out of the same car?—A. No, he would have to be there to verify the test that was made, and one man could not do that in my opinion.

By Mr. Sales:

Q. Does not your executive ever meet and consider what should be done among the beet growers?

The CHAIRMAN: I think we might call Mr. Houson.

The WITNESS: I want to make a statement now, which I made before. The question has been one of not knowing the facts, and the executive never had the

facts before them. We do not know whether the company should be required to put the facts up.

By Mr. Hammell:

Q. Do you know whether the grievance is real or imaginary?—A. We know it is real, but it has just been a question of see-sawing between the growers and the company, and there was entire satisfaction that year, when they got the $9.00 contract on $8.00 sugar, but before that, we had met a couple of times that year in mass meetings, and the growers themselves did not know what they wanted, because they did not know what the company was making, because they were only relying on reports, and there was a resolution put through at that meeting, authorizing the executive to accept a $7.00 minimum. In the meantime, one of our executives had got a Michigan contract which called for $9.00, and that was a reasonable demand, as a $9.00 minimum that year.

By the Chairman:

Q. Did you get the $9 after you demanded it?—A. No.

Q. They wanted to give you $7 first?—A. No. The growers themselves had authorized the executives to take a minimum of $7.

Q. Had the company offered anything at all?—A. I think not, at that time.

By Mr. Robinson:

Q. Then they offered nothing?—A. In other words, the executive of the association practically sold the entire beet crop that year.

By the Chairman:

Q. And they got $2 more a ton for it, because one of them had been lucky enough to get some information that the Michigan growers were getting $9?—A. That helped them to get it, because they had the contract right there.

By Mr. Sales:

Q. You are satisfied with the basis of that contract?

The CHAIRMAN: I do not think you have started the contract of 1923.

The WITNESS: The growers, as far as I could observe in talking with them, are quite satisfied with the contract based on the minimum and a bonus according to what sugar sells at.

By Mr. Sales:

Q. What you want now is proof from the company as to what amount they make from the beet, and the price of the sugar?—A. They would require that, if the percentage is included in the contract. The percentage of the sales, the bonus, is not included in this year's contract, but the growers did not demand that. Of course a man close to the refinery can deliver his beets right to the refinery. If his beets test up high, he likes to sell them on the sugar content.

By Mr. Hammell:

Q. Is there any tendency on the part of the growers to sell, not on a quality basis, but just by the ton, regardless of the sugar content?—A. If they are not properly organized, they have to sell according to the contract which is drawn up.

Q. They want that, do they?

By Mr. Robinson:

Q. They want a flat rate. Is not that what they want?—A. That is the generally expressed feeling all over the territory, that they wanted to go back to the flat contract.

By Mr. Bouchard:

Q. Do you not think it is absurd to get a flat contract?

By Mr. Robinson:

Q. Mr. Bouchard asks if the flat rate would not be as good or as wise as a scientific or percentage basis.—A. Well, the main thing in all business between producers and companies, is to have satisfaction as far as possible, and the growers would be satisfied—as a rule the great majority of the growers would be satisfied with a flat contract and a bonus and discard the sugar content basis altogether, because they do not know that the test is actual.

By Mr. Hammell:

Q. Would not the same thing apply in the milk industry? I might sell it at 2 per cent and my neighbour at 4 per cent. Would it be fair to give a flat rate for milk? I might put water in mine.

The CHAIRMAN: I would repudiate the idea that any member of this Committee, over which I have the honour to preside, would do such a thing.

The WITNESS: You are discussing two different questions altogether. A farmer can have a great influence—.

By Mr. Hammell:

Q. Over the sugar content of his beet?—A. No.

By the Chairman:

Q. By feeding and by stock, you may increase the butter fat content a great deal.

Mr. BOUCHARD: Not at all. That is well demonstrated.

The CHAIRMAN: I thought by using good stock and by feeding well, you could.

Mr. BOUCHARD: Just for a period or what? For one week or two, but it becomes normal afterwards. It is well demonstrated.

The CHAIRMAN: I said the stock.

The WITNESS: You can select your stock and influence your butter content fat very much.

By the Chairman:

Q. I suppose this is true, that the beet grower has not the same control over the sugar in the beet as the dairy farmer would have on the butter content in his milk. Is that right?

Mr. BOUCHARD: I think there is no inducement to improve the sugar content if he just stayed at the flat rate.

The WITNESS: There is more room for dissatisfaction there. The test will vary on soils. There may be two farmers living one alongside of the other; there is no evidence to prove that those farmers influence their sugar content of the beet at all, other than a general influence

By Mr. Sales:

Q. Will that apply year after year on those two soils?—A. Yes.
Q. One will be better all the time?—A. Yes.
Q. That is the one that should grow the sugar beet.—A. Yes.

By Mr. Elliott:

Q. Did your association ever sue the Dominion Sugar Beet Company? —A. Not the association, but the association backed up a man who did sue them.

Q. The association backed up one of your members who sued the Dominion Sugar Beet Company?—A. Yes.

Q. Did he win or lose the suit?—A. He won it.

By Mr. Sales:

Q. What did he sue them for? Tell us all about it, shortly.—A. It was one of the years in which the farmers got a big price for the beets. That was in 1920, and as you know, if you followed the sugar market, the sugar market all summer was away up, around 20 cents. Then it dropped back in the fall during the time that the farmers were delivering their beets, and some of the farmers felt that they had not been given a correct statement and one of them entered a suit. Then the judge awarded 30 cents per ton, but that was at a time when the sugar market was very much disorganized.

Q. Did all the rest of the men get 30 cents a ton on that, or just this one man?—A. All of them.

By Mr. Elliott:

Q. Do you remember what the aggregate of that amounted to?—A. No, I have not the exact figures, because it was around $100,000.

By Mr. Robinson:

Q. What was the decision based on? That the company had violated the contract, or what? How did they arrive at the decision?—A. As far as I know, it was based on an audit by a chartered accountant.

Q. It almost looks as if you folks should have a joint auditor, as far as the beet sugar industry is concerned, so you will know what is being done in that country and get a fair proportion. Would that satisfy you?—A. It should, if the growers knew exactly.

Q. The amount of sugar produced, the amount of beets, and the amount sugar was sold at. Would you live up to your contract on that basis?—A. I think if the growers knew exactly what the company was making that they could agree on a satisfactory price.

The CHAIRMAN: Now, there ought to be some way to establish confidence between people whose interests are identical. If one is giving a fair deal to the other, their interests should be identical.

We are very much obliged to you indeed, sir. We are very sorry we gave you such short notice, but it was unavoidable.

Witness retired.

CHARLES H. HOUSON recalled.

By the Chairman:

Q. I think, Mr. Houson, the Committee will probably get a better idea of the situation if you will just take a carload or cart load of beets into your factory and tell just what happens to it, how you establish what you are to pay the farmer.—A. A wagon load of beets is delivered to the factory, and is weighed for the gross.

Q. Before wet get any further than that; there have come to my ears complaints that in days gone by—not so much now—but in years gone by you took

too much for the tare. Is there anything in that?—A. There is not, sir, besause after we have deducted the tare we have always been short between the amount of beets paid for and the amount of beets actually received in the factory.

Q. Your testimony is that, far from your being unjust to the farmer, you have been a little unjust to yourselves?—A. We have, and furthermore, competition at times has made it so. To encourage the obtaining of the beets, some of the beet factories in the States have made a very low tare. That is to say, they would tare the beets one or two per cent, that is giving the farmer any benefit of the doubt of the tare.

Q. You say you do give the farmer the benefit of the doubt now?—A. We always have.

By Mr. Sales:

Q. Is there any duty on beets going into the United States?—A. Yes.
Q. And yet they can compete and pay?—A. They pay 80 cents a ton duty.
Q. Do you have to compete with them for the beets of the farmers?—A. Yes.
Q. And they still pay a duty of 80 cents?—A. Yes.

By the Chairman:

Q. They will pay, of course, to the farmers the same price for beets that you do or a little better. Perhaps we have gone a little off the way I started. Take us through your factory along with your beets, and tell us what is done?—A. After the beets are weighed, a sample is taken.

Q. How is that sample taken?—A. As near an average sample as possible, about three beets or four beets to a load.

Q. Is that enough to give you a fair idea?—A. Yes, it is. We used to take more, but that was at a time when we did not test the beets that were delivered at the weigh stations. We have quite a big contract on our hands now, since we test every load of beets. I will give you the reason for that later. We had 50,000 wagons altogether in a season, and we have to make delivery of those wagons in about two months time, so that you can understand that we take a very very large amount of beets as samples. It is quite cumbersome, so about four beets to a load is what we take, sometimes three.

By Mr. Elliott:

Q. That is to a wagon-load?—A. Yes.

Q. How about a carload?—A. In a carload, we take three individual samples in buckets.

By Mr. Robinson:

Q. That is, you think it would be better to take an absolute test on a small quantity than a poor test on a large quantity?—A. Yes, I do. I will go into that later. Then these beets are taken to the tare station, and they are tared in this way; we have had beets, Mr. Chairman and gentlemen, that have the entire top on; that is, they have not followed the instructions. Of course, that is usually done by new growers or some of the growers who do not seem to be very particular. Most of our farmers are careful about that.

By Mr. Sales:

Q. Or it may be the carelessness of the men?—A. Probably that is it, the carelessness of some of the men they had employed. Then the job is to cut that off, then they are washed and the exact amount of tare is learned. Then the beets are taken to the test station. They are ground into a plup and by diffusion

we get the syrup, and the syrup is tested by the polariscope. This is similar to what Mr. Drummond said. These records all go to the office, showing what the man's tare has been.

By Mr. Elliott:

Q. Just in this connection, I would like to get this clear, because I think it is important. In selecting your beets for testing, do your men make special endeavour to get the average beet, or do they take, for instance, a beet on which a great amount of tare would take place?—A. They are instructed, and as much as I have been in a position to watch the work myself—of course, the agricultural work comes under the jurisdiction of our agriculturalist, and he instructs all his field men, all his tare men and test men to be extremely careful in that regard. We check up quite frequently to see that the averages are taken, and our records at the end of the year show that the farmer has had, on the average—there may be one or two mistakes or a few mistakes, we are all prone to do that, and we have to employ a great number of men in a short time. For instance, a great number of our laboratory testing men have to be educated boys with a knowledge of chemistry. They are just hired for several months in the year. A lot of our weigh men or foremen, we cannot keep them the entire year, because the drawing season only lasts about two months.

By the Chairman:

Q. Let me see if I understand. Do you take three or four beets from the wagon-load and wash off the dirt that is on them and weigh that dirt and say, in proportion to the number of beets—A. We first weigh the gross.

Q. Say you take four beets together, and you weigh them?—A. Yes.

Q. Suppose they weigh 40 pounds?—A. Yes.

Q. Would they weigh anything like that?—A. No, they would weigh 12 or 15 pounds.

Q. Very well; suppose they found there was a pound of dirt in that 15 pounds. Then, would they say there should be one-fifteenth taken off the whole carload to take care of the dirt?—A. Yes, that percentage would be taken off.

Q. Of course, there is room there, if a man wanted to be unfair, there is room there to just pick out three or four beets with fine roots that had been in very damp soil with a fine contribution of soil attached to them. There is that possibility—I will not say that it actually does happen.—A. There have been cases that we have had of our yardman bringing some one of the hired help to the office, and we learned that at the bottom of the waggon there would probably be a great percentage of mud, especially in wet weather. We have to watch that very carefully.

By Mr. Sales:

Q. What is your method of weighing, do you weigh the waggon, and then take the beets out, and then re-weigh the waggon?—A. Yes, sir. Now, if that explains that situation, I would like to quote you some prices.

Q. How long does that test take?—A. It is a very short time.

Q. Five minutes, 10 minutes?—A. I would say about 10 minutes.

Q. To make that individual test?—A. Yes.

By the Chairman:

Q. Is there any ground for complaint that you are so busy in these few rush months of your year that there is possible inaccurracy in testing, to any great extent?—A. Not to any extent, I should say. Of course—I think probably it would be a good time to mention this—in the United States, that is, in the

middle states, in the states of Michigan, Ohio and Wisconsin, they never grow on a sugar per cent basis; that is, they do not pay according to the sugar content of the beet. They claim that too much labour and work is involved. We at one time grew only on the flat rate basis, such as Mr. Dougherty was suggesting here, but we feel this way about it, we really consider and in fact experience has taught us—there are some conditions about the thing that we do not exactly know—but experience has taught us that by proper cultivation the sugar-beet can be improved in the sugar content. They have done that on the continent of Europe and in Germany, and that is the reason why we commenced growing all of our beets or making contracts on a sugar content basis.

By the Chairman:

Q. That is the way it is done in Germany?—A. Yes.

Q. And I suppose Germany was, before the war, possibly the largest sugar-beet country in the world?—A. They are now, and were before.

By Mr. Milne:

Q. Might I ask if the farmer was drawing with two or three teams from the same field, would you test the sugar content of every load?—A. There is a proviso in the contract that if the roads are impassable or there is a breakdown or anything like that, that an average of the load can be taken. We do not do that except when it is absolutely necessary.

By the Chairman:

Q. Do you as a matter of practice, test every waggon-load that comes into your plant?—A. Yes, we test every wagon-load.

Q. You heard what Mr. Dougherty said this morning?—A. Yes.

Q. You see how the fact of your being the sole arbiter gives ground—it may be quite improper—for suspicion. Is there any way that you can think of whereby a dissatisfied farmer could have an independent test? Is that a practical thing?—A. Inserted in our contract is the fact that we would appreciate the farmer to come around to the tare and test room and investigate for himself. Now, further, the question never was raised to us, as a matter of fact, with regard to whether or not they would like any individual test. I would say in that regard that I rather believe that our company would appreciate a chemist from the Government laboratories dropping in once in a while; I think that would be a good thing. We might not know that he had arrived until he had passed his card in at the door, or something like that.

Q. I do not know anything about chemistry, but it would strike me that if I were a farmer going into your laboratory and looking at my beets being tested, that if the young gentleman told me, "Well, Mr. McMaster, there is only 14 per cent or 15 per cent in these beets," I would say I was very sorry, but I could not tell whether the experiments he made were correct or not, and I would imagine that very few farmers would have the necessary knowledge to be able to look at the test being made and say whether it was good or not.—A. That is quite right, Mr. Chairman, and with my knowledge of the business I will go further than that. Sometimes this has happened, that two waggon-loads of beets out of the same field, grown very close together, will show a difference in saccharine matter of two per cent. We cannot account for that, but it is there, and we simply take the figures as they are.

Q. But you can see, if there is any possibility of a practical check on your work, what a tremendous advantage that would be in gaining the confidence of the farmers, would it not?—A. Yes, we want that. As a matter of fact, right there also, we have had very, very little difficulty with the farmers in our section. With regard to the personnel of the Sugar-beet Growers' Association

and Mr. Dougherty, I think they are a fine lot of men. Mr. Dougherty does not grow beets; Mr. French, president of the association, has not grown beets for many years, and I do not think he ever grew more than a few acres. There are some men belonging to the executive committee that have grown a great deal, but personally I have a great regard for them, and I would like to do what I can to work in harmony with them. I would like to say that in 1921—I think that was the year that we clashed with what is known as the Sugar-beet Growers' Association—.

By Mr. Sales:

Q. Why do you say that?—A. In this respect, that by no means all of farmers belong to the Sugar-beet Growers' Association.

Q. How many patrons have you?—A. In the neighbourhood of 6,000. Of course, that number does not grow every year, but we have, off and on, 6,000 growers.

Q. In your experience, a man who does not grow sugar-beets, and a man who is president of the association, and another man who does not grow very much, would they know very much about it?—A. No, I could not say anything about that.

By Mr. Sutherland:

Q. Mr. Houson, you have just stated that the sugar content of beets from the same field, or from the same load might vary to the extent of two per cent. Would that not indicate that some seed is much more suitable, that the content, the sugar content, from some seed would be much higher than from others? Have you made a test of that?—A. Yes, we follow that up very closely, Mr. Sutherland, and we test our seed. For instance, the seed that will grow out next year, we have various plots set out throughout the country this year, to keep clear of the mangel seed and the poor lots of seed that were throughout the country pretty well during the war. This testing situation, I am free to admit, has always been, ever since I have been in the business—it is a difficult thing to explain—.

By the Chairman:

Q. Is this a possible explanation, that sugar-beet seed has been developed gradually from beets with a much lower sugar content? If that is true, is it not a biological law that every little while, if you have developed on an up-grade, you have developed anything on an up-grade, you are likely to have a throw-back, both in the vegetable world and in the animal world, and that some of the beets that do not show the same sugar content may have come from seed which might be said to be a throw-back from the state of development to which the seeds as a whole have come to?—A. There may be quite a good deal to that. I think there is also something in the time of their coming up; some of them are probably a little slow in coming up, and before they get very strong the sun gets at them and sort of burns them up and dries them out.

By Mr. Sales:

Q. Can you tell by looking at them? If you see a bunch of beets, can you say there is a larger sugar content in this one than in that one?—A. You can tell pretty well by the shape of the beet. That is to say in this regard, that a beet, a perfect beet, one with just a little point to it in the tail, you can always depend upon it pretty much that contains a pretty good sugar content.

By the Chairman:

Q. These fellows that are picking out the beets for testing, do you think they are on the look-out for the perfect beet?—A. No, sir, our records show that very conclusively. We have very good control of our tare.

By Mr. Sales:

Q. Would you be satisfied to have some accountant on behalf of these growers go through your books and say that your sugar content was 15 per cent, and pay on that basis?

The CHAIRMAN: That would not be fair to the farmers.

By Mr. Sales:

Q. Because Mr. Dougherty had that idea, the idea of a flat rate.—A. I do not know. Of course, this percentage contract requires a tremendous amount of detail, and labour, and I believe is giving the growers what they want. I do not know.

Q. But your books would show.—A. Yes. As a matter of fact, they get a copy, they get their printed statements; in fact they are hanging up for them in the weigh stations.

Q. I am talking about the amount of raw material that you purchase from the farmer. Now, I am talking about the sugar content, the average sugar content from these beets as shown by your books, and as to whether you would be content to have a joint audit on that portion of your business, so that these farmers would know exactly what you were paying for the sugar content which you obtained from the beets.—A. I cannot see any reason why we cannot follow something along the lines of an audit on the test.

Q. As I understand Mr. Dougherty, he said that what caused the complaint was that they did not know, they think you are making a lot of money.—A. They have never mentioned that matter to us, to my knowledge.

By the Chairman:

Q. They are mentioning it now.—A. Yes.

By Mr. Sales:

Q. Still, you see, here is a fact. There are 6,000 growers of beets, and this so-called association, to use Mr. Houston's words, has never had more than $250 in the shape of fees, which represents a very, very small proportion of the beet growers, and consequently you do not take very much notice of it.—A. That is so. I was just coming to that point. Up to 1921 we had been, up to that time, meeting with them regularly—at least, I will not say regularly, but whenever occasion demanded, and that year—the price in 1920 was $12 and the sugar market of course was panicky, it went all to pieces, so we met them in 1921 and we offered them a $6 minimum. They would not agree to that, and demanded or asked for $10 minimum. $10 was entirely out of the range of possibility, and by paying a $10 minimum there was no question about it we would lose considerable money from the look of the market, so we told them so and they said, "Well, if you do not pay us $10 a ton, we will not grow the beets, and we will tell the farmers not to grow the beets," so I simply said to them that I thought they were unreasonable in that demand. We went out and got some contracts; we did not get a full acreage that year by any means without the assistance of the Beet Growers' Association, but we, of course, since then have not been meeting and comparing notes at all.

By Mr. Sales:

Q. Would you prefer that all these beet growers belonged to that association, so that you could meet their authorized officers?—A. We like to meet the individual grower.

Q. Why?—A. Because he comes in and talks to us and possibly will sign his contract and talk about conditions in general. As I say, we have had very few grievances come to our office, and we have a lot of farmers coming in.

Q. I should think you could do a great deal more good by taking the other method of encouraging these men to belong to the association, and going out to their meetings where you could talk to 200 members as well as you could talk to one in your office. You could get them to use better methods of cultivation and so on. You would hear all the differences of opinion, and create a feeling of confidence.—A. Yes. As I said before, I consider the personnel of the Beet Growers' Association very fine gentlemen, and they have their views and of course we have ours, and if we can talk things over—

By Mr. Chevrier:

Q. I suppose there is always this help for you from the viewpoint of the manufacturer, that if the farmers want too much for their beets, you turn to the cane sugar?—A. Yes, we could possibly do that, but at the same time our business is really the sugar-beet business; that is the business we started in, and we have always attempted in every year to get full acreage of sugar-beets.

By Mr. Sales:

Q. So you prefer to deal with the individual farmer, and look on those men who try to organize them as a sort of nuisance?—A. We always felt that their requests exceeded what we could do. That is about our position.

Q. I think that is the general attitude of all men who are organized fairly well against farmers' organizations in general.—A. Now, I would like to, if it is perfectly satisfactory—I heard Mr. Dougherty—

By the Chairman:

Q. That is what we kept you here for.—A. Mr. Dougherty made the statement that our price had not been satisfactory. I have some figures here comparing our price with the price that was paid in the State of Michigan for sugar-beets, and the manufacturers in the State of Michigan are competitiors of ours; they come into Canada and take beets out. In 1913, Michigan paid $5.69 a ton, and we paid $5.99. In the year 1914, Michigan paid $5.45 and we paid $5.76. In the year 1915 Michigan paid $5.67 and we paid $5.47. In the year 1916 Michigan paid $6.12 and we paid $6.32. In the year 1917 Michigan paid $7.39 and we paid $8.96. In the year 1918 Michigan paid $10 and we paid $10.30. In the year 1919 Michigan paid $11.74 and we paid $12.29. In the year 1920 Michigan paid $10.08 and we paid $12. In the year 1921—that was the year that the Growers' Association wanted us to pay them $10 as a minimum, Michigan paid $6.10 and we paid $7.20. In 1922, Michigan—this is the year that the reverse occurred, Michigan paid more than we did. In 1922 Michigan paid $7 and we paid $5.65.

Q. It was an awful change from the former practice?—A. Yes, it was, but on the whole, there are ten years.

By Mr. Sales:

Q. What was it in 1916? $5.60?—A. $5.67 Michigan and $5.47 Dominion.

By the Chairman:

Q. Do you think you have explained to us why that happened?—A. Well, when the contract was taken sugar was selling in New York at $1.75 a hundred. That is raw sugar, to bring that to the refined state. We have $1.75 New York. The duty was then $1.68. The freight in was 34 cents. That would make a price of about 5 cents a pound, granulated sugar.

Q. Wholesale?—A. Well, probably 5½ cents wholesale. What I mean by that is that wholesale they get 5 per cent discount, so we will make the price $5.50. That was a low price and it did look at that time as if the sugar prices were going to remain low the whole season. We did not put on a sliding scale of prices, because the minimum was $4.50, with an extra dollar for delivery to the factory, and it looked at that time as though prices were not going to do much better. However they did. The market recovered somewhat in the summer, and in the fall it was considerably higher. As a matter of fact, we would have paid a bonus voluntarily that year, but unfortunately this time, or just about this time, in 1919, the late fall of 1919, and the early spring of 1920 we had this tremendous sugar panic. Our contract was based on the quotations as they appeared in Willett & Gray's. Willett & Gray on account of the panic discontinued quoting sugar for the first time, which automatically voided our contract.

Q. Automatically voided your contract?—A. Yes, because the price was to be the daily net average price as quoted in Willett and Gray's statistical trade journal.

By Mr. Sales:

Q. If Willett and Gray fails, your contract with the farmer is broken?—A. Yes.

By Mr. Elliott:

Q. Is that stated in your contract?—A. No, we have auditors now.

By the Chairman:

Q. That seems to me a most extraordinary situation?—A. The case was tried at London and no doubt you could get a copy of the judgment by a local judge, Judge MacBeth. He took a great long time before he came to a decision.

Q. He decided it would void the contract?—A. He decided the contract was voided. That is as I understand it. I have not got the legal terms for it.

By Mr. Sales:

Q. My objections to that is that there is nothing new there which makes these people take it?—A. This case was tried there. In fact, this gentleman, who is one of the Beet Growers' Association, sued us as a test case. We offered to let him send in any auditor that he wanted to, and have him audit our books, and whatever that auditor said we had obtained for the sugar, we would pay on that basis. We offered to pay half of the expense if he would do that, but he did not care to do that.

By the Chairman:

Q. That would seem to me to be a fair offer?—A. He commenced action against us, and the judge—I remember this part of it—he said the plaintiff might well have been satisfied with what he had received. The Dominion Sugar Company paid him relatively more for his sugar beets than he received for his sugar; that the Dominion Sugar Company had been straight and upright in their dealings, but according to a technicality in our contract which said that the

daily net average price ruled, that they could not take our books according to poundage, but only on a unit basis. In other words, if one day we sold one pound at 18 cents and the next day we sold one million pounds at 16 cents, each would be considered a unit, and the average of the two days would be considered at 17 cents. So that is the judgment, and he received the judgment, but he paid his own costs, to the extent of 30 cents. As soon as received the judgment, we sent out to all the growers at 30 cents a ton—

By Mr. Sales:

Q. The contracts are drawn up by the companies. In my estimation farmers should be in their own organization and they should have a contract with them.

The CHAIRMAN: I cannot commend you too highly for your desire to have legal advice, Mr. Sales.

By Mr. Sales:

Q. These contracts are all drawn up. I think the farmers deserve all they got. Out of 6,000 only 250 joined the Association. I know what I should think about that?—A. I might say our contract since then has called for an audit to be made, the auditor to be a reliable firm of chartered accountants and to be appointed by the Standard Bank at Chatham, the Manager of the Standard Bank at Chatham, jointly together with the Manager of the Candian Bank of Commerce. If they cannot agree on an auditor then the appointment to be left with the Manager of the Bank of Montreal.

By the Chairman:

Q. So that you do not have the choice of the auditor?—A. No.

Q. You get the two banks to agree?—A. Yes.

Q. I suppose those banks carry on business largely in this part of the world?—A. Yes.

Q. Are those the farmers' bankers as well as perhaps your bankers?—A. Yes, the Standard Bank of Chatham does a very big farm banking business.

By Mr. Sales:

Q. Why did you consent to the banks appointing your auditors?—A. Well I felt as though the farmers would be quite satisfied with the appointment, that is, they would have confidence in them.

Q. Have you a large line of credit with those banks?—A. With one we do business. We do business with the Standard, we do no business with the Bank of Montreal or the Canadian Bank of Commerce.

Q. It all depends upon the motive behind the appointment of the auditor.

Mr. HAMMELL: If any chartered accountant is not fair he soon loses his charter in Ontario.

By the Chairman:

Q. The only other way would be to have an association of growers, who would, with the company, have an auditor satisfactory to both of them.—A. The difficulty with that is that I have not any way of telling just how many growers are members of the executive of the association, and I feel there are a lot of them who are not members of the association. I think I have answered pretty much all the questions. The beet industry has had quite a hard row to hoe. Plants were started at Wiarton, Dresden and Kitchener. Those plants have all made assignments.

By Mr. Sales:

Q. I did not catch that last.—They have failed.

Q. When?—A. Years ago.

By the Chairman:

Q. Not under the present management?—A. The Kitchener plant is one that we took over ourselves. We took the Kichener plant from the receivers.

Q. It was not under your management when it went into the receiver's hands?—A. No.

Q. You took it out of the receiver's hands?—A. What I was going to remark was this, that the industry had not made any big returns. The year we had this action against us, we made no money from our beet sugars whatever.

Q. No money from your beet sugars?—A. No.

By Mr. Sales:

Q. How long have you been organized?—A. 21 years.

Q. And your capital?—A. $1,500,000.

Q. To begin with?—A. Yes.

By the Chairman:

Q. All paid in?—A. Originally we were the Wallaceburg Sugar Company, with a capital of $500,000. Then we went along from 1901, until—well I just forget the year, but it was quite a number of years before we paid any dividends at all. We allowed the surplus to accrue and we formed the Dominion.

Q. What had it accrued to at the time you formed the Dominion?—A. $1,500,000.

By the Chairman:

Q. When you formed the Dominion your capital was how much?—A. I believe it was $1,500,000.

Q. Did you put in a fresh million dollars, or was that stock represented by cumulative profits made by the Wallaceburg?—A. Accumulated profits running say ten years.

Q. But there was no fresh capital?—A. No fresh capital.

By Mr. Sales:

Q. That happened in 1906, the million and a half?—A. I think it was 1909, if I remember correctly. I have not the figures here.

Q. What dividends have you been paying since?—A. For some years we paid no dividend whatever. During the war I might add quite frankly, we made considerable money in cane refined. We did not have much stock on hand when the crash came, and it was only a matter of buying for your requirements during the war and selling at a reasonable price.

By the Chairman:

Q. The other refiners told us that they had large surpluses left on their hands when the crash came.—A. Yes.

Q. That was due to the fact that they were forced by the Government through one department or another, or through the Board of Commerce to buy, and it was not their fault they were left in the slump with the large surplus stocks. Were you told to buy?—A. I was not at that meeting. I heard of the meeting, and in fact I am quite sure that that did occur. Our company at that time was not represented at that meeting, but I did hear of it shortly

afterwards, from one member of the Trade Commission or the Board of Commerce, that that had actually happened.

Q. You were not told that you had to buy the stock up?—A. We were called down before the Canadian Trade Commission several times, and we were told to watch out and not have the same condition occur as did occur the previous year. There was a dearth of sugar in Western Canada.

Q. Answer this question if you will: we would like to get to the bottom of this thing, because we hear fluctuating reports about the situation?—A. Yes.

Q. You had no accumulation of stock on hand when the slump came, no large accumulation of stock on hand when the slump came?—A. We had about two months' supply. That was in the neighbourhood of twenty million pounds. I term that as a small supply, considering the amounts that the other refiners had.

Q. Was there any interest for the other refiners to have more on hand than two months' supply?—A. Only in this way, that they claimed, and in fact I believe that claim was justified, that they were to buy—something was said at this meeting that they were to buy up, to see that the Canadian trade would have sufficient sugar to see them through the year.

Q. Had you been at that meeting, do you think you would have arrived at the unfortunate position the other fellows arrived at?—A. I do not think so, particularly for the reason that we would probably have had some more, but we would be getting ready for our beet campaign. We have our beet campaign coming along in October, so that helped us along in that respect.

By Mr. Sales:

Q. About your earnings? We got away from that. I would like to know.

By Mr. Gardiner:

Q. Just one other question with regard to these previous points. Did you ever receive any communication from either of these two boards to stock up with sugar?—A. No.

By Mr. Sales:

Q. Now, your earnings, Mr. Houson, if you do not mind, your dividends and all the rest of it. We have had gentlemen come here who gave us their dividends, and they forget to mention their bonuses. They did not give us the right proportion.—A. The highest dividend and bonus that we have paid has been 18 per cent. This was not a bonus combined. We call them all dividends, as far as we are concerned; 18 per cent, we paid in one or two years. Last year we paid 16 per cent.

Q. 16 per cent in 1922?—A. Yes.

Q. In 1921?—A. 15 per cent, I believe in 1921, or just the reverse.

Q. In 1920?—A. In 1920 it would be about 18 per cent.

Q. In addition to these dividends how much have you been carrying as reserve?—A. We carried about altogether, I would say, $1,500,000.

By the Chairman:

Q. For reserve?—A. Yes. That was due, as I say, to the cane sugar buying.

By Mr. Sales:

Q. To the cane sugar buying?—A. And selling during the war.

Q. You mean you bought cane sugar and sold it?—A. Buying the cane at the opportune time and bringing it into our refinery, refining it and selling it out as refined sugar.

Q. Buying in large quantities when it was low?—A. I would say I kept two months' supply ahead all through the war period, but it was on a rising market, and we frankly say we made considerable money.

Q. So that you have doubled your money and in addition to that you have paid 15 per cent, 16 per cent, and 18 per cent?—A. Yes, but Mr. Sales you have to remember one thing, that is for a long time we were without any dividends and compound interest—

Q. What is the use of talking about going without dividends, when you started with $500,000, instead of paying dividends, when you took over the other sugar company you have $1,500,000 instead of half a million dollars? That is real profit.

The CHAIRMAN: That is sound conservative business.

By Mr. Sales:

Q. Certainly, but he says they went without dividends.—A. We were putting the money back into the business to build another refinery with some of the earnings.

Q. You started with $500,000?—A. Yes.

Q. At the time you took over the Kitchener plant, you had then three times your original capital?—A. Yes.

Q. One and a half million dollars?—A. Yes.

Q. Now since then you have again doubled that $1,500,000 by having $1,500,000 in your reserve and in addition have paid 15, 16 and 18 per cent profit. That is the statement?—A. Frankly, that is the story. I say we made money in connection with our cane sugar refining.

The CHAIRMAN: It reflects the greatest credit on the management.

By Mr. Sales:

Q. My suggestion is that you allow these beet growers to go into your books, give these beet growers the facts regarding the profits on your beet sugar, because as I understand, half of their troubles result from their not knowing, and they believe you are making money. There is the proof you are making money, and naturally they think you are making it out of beet sugar, and the only thing to do is to enlarge the situation and let the truth be known. if you want to gain their confidence. I only make that as a suggestion.—A. I say as I said before, that we want to have the confidence of the farmer.

Q. There is just another point I would like a little information on, and that is on the Michigan prices and your prices. Now every ton of this beet going into Michigan would have to pay 80 cents. When you add 80 cents—take 1914. $5.40 Michigan, and your price, $5.70.—A. The duty was only 20 cents at that time. It was changed to 80 cents in the Fordney tariff just here two years ago.

Q. How would the price of sugar correspond in Michigan and in Chatham? —A. It is usually a little lower.

Q. Lower in Michigan?—A. Yes.

Q. So that paying the duty practically brings it to the same thing. They sell their sugar lower than you do?—A. Yes, they sell their sugars—there have been one or two cases some years back where our price was lower, but as a usual thing our price is a little higher than theirs.

Q. About how much?—A. It varies a lot.

By the Chairman:

Q. What does it run about?—A. I would say in an average of years it would vary probably 30 cents a hundred.

Q. Between the Michigan price and yours, of sugar?—A. Yes.

By Mr. Sales:

Q. That would make how much per ton on beets?—A. That would make about 60 cents a ton.

By the Chairman:

Q. You get about ten per cent of sugar out of your beets?—A. Yes, we must have about that.

By Mr. Milne:

Q. With cane sugar at $5 a hundred, what would beets be worth on the same basis?—A. Cane sugar at $5 a hundred pounds?

Q. Yes. What would beets be worth to make refined sugar, at the same price?—A. When sugar is $5 we could not pay over $5 a ton for beets. As a matter of fact, we would lose money. I would say we could not pay much more than $4 a ton for beets, when sugar is $5.

Q. You buy sugar cane?—A. Yes.

Q. If you got the raw sugar at $5 per hundred pounds, would you be paying $5 a ton for beets, about?—A. You say raw sugar at $5?

Q. Yes.—A. Just what is your question?

Q. How much could you pay for beets before it would be cheaper to make it all from the raw sugar, that is, the cane sugar? The point I am getting at is——

By the Chairman:

Q. When does it become profitable to use beets?—A. We begin to get a margin in between $6 and $7 a ton.

Q. That is to say when your raw sugar goes up to between $6 and $7 a ton, it is worth while turning your attention to beets?—A. Yes.

Q. I understand the by-product of the pulp is used as cattle feed.—A. Yes.

Q. Is there any by-product?—A. The only other by-product is molasses.

Q. This molasses from beets is like the molasses from sugar cane?—A. No, it has quite an odour; that is, I mean to say it has not got the flavour.

By Mr. Sales:

Q. Is the feeding vale the same of molasses and of beet sugar?—A. My word there is "flavour". It has not the flavour the cane molasses has. I used the word "odour" wrongly.

By the Chairman:

Q. You say you sell to the retailer, I understand?—A. Yes, we sell to the retailer, the wholesaler and the manufacturer.

Q. You will sell to anybody who buys in sufficiently large quantities?—A. Yes.

By Mr. Sales:

Q. Could a number of farmers wanting to procure sugar buy it from you?—A. If you have got a store and doing business; if you have a place of business organized, we will sell you. I do not think it is fair for a man in a legitimate business to sell the consumer.

Q. I want to give you another thought, if I might. You people always look on the farmer as a consumer. Have you ever thought of the farmer as a producer, producing for export, that in order to produce for export and compete in the markets of the world, he must get close to the source of his raw material, which is sugar, in your case, flour, fuel, wire, all these things which can be handled in bulk?—A. Yes.

Q. And if he is to be put on fair terms, he should buy his material as cheaply as he possibly can?—A. That is quite right.

Q. Have you ever thought of him from that angle?—A. I have, yes.

Q. How would you like somebody to interfere between you and your raw material and take 35 per cent out of every dollar and handicap you until you could not possibly produce?—A. I do not know. It is a serious matter when you cannot produce.

Q. That is just exactly the situation. That is why we claim in our bulk of materials, where we are prepared to take carload quantities and pay the cash, we should be allowed the privilege of doing so. Never mind the so-called legitimate channels of trade. Otherwise you are going to put us out of business, and you do not want to do that. Why should I take six sacks of sugar—I will buy six sacks of sugar at a time—why should I pay cartage from the railway car to the grocer's store and then go and pick it up again, when I can take my own wagon right up to the railway car and take it home?—A. As far as our organization is concerned, we are willing to sell anyone who is organized in any line of trade. For instance, if you have a wholesale or a retail store or an organization of that kind, we will sell you.

By the Chairman:

Q. But, Mr. Houson, what economic reason has a manufacturer to endeavour to maintain a more expensive mode of distribution, when a cheaper mode of distribution presents itself? Here are a number of farmers, say, who collectively buy a car of sugar, what right have you to refuse to sell them, because they did not happen to have a store?—A. There is quite a lot of argument to just what you say, but I do not recall anyone soliciting us on carload business in that way. As a matter of fact, I do know that they do sell what they call U.F.O. stores in Toronto.

Q. I suppose when you started to do that you had considerable objections from some of your shareholders?—A. We are not just in the same position as regards our wholesale connection as the other refiners. We fall back on the retail trade or fall back on someone if they are not going to take our goods.

Q. Did you have any protests from the retailers when you started?—A. Yes, we did. As a matter of fact, we were waited upon by their association.

Q. Let me put this to you as I put it to Mr. Benson of the Edwardsburg Starch Company the other day, that due to the geographical condition in Canada, a relatively small population, stretching across in a comparatively narrow line across the whole of the continent, our costs of distribution are inevitably high and if our consumers, especially our farmer consumers are going to be able to make a decent profit, with this cost of distribution on these commodities, it seems to me an unwise thing for wholesalers, for manufacturers, to be kept within old channels of trade when newer channels of trade, offering some saving to the people, presents themselves. Is there not a great deal in that argument? —A. There is a great deal in that argument, and I can only say that I think we have helped that cause along.

Q. I would just say to you in the words of the Good Book, "Be not weary in well-doing. Be just and fear not."

By Mr. Sales:

Q. Is the Merchants Consolidated on your jobbing list?—A. I was wondering that point myself when you spoke of it. Of course, we have so many accounts I cannot keep in touch with all of them. It runs in my mind that they are not. If they are not and want to buy our sugar, we would sell them and be very glad to accommodate them.

Q. You have a jobber's list, a wholesale grocer's list?—A. The wholesalers get 5 per cent.

Q. A retailer's list. What advantage does the wholesaler get?—A. The jobber is the same as the wholesaler. The jobber and the wholesaler is the same.

Q. They get 5 per cent?—A. Yes.

Q. You would be willing to place these wholesale warehouses owned by those retailers on your jobbing list?—A. They would be buying in carlots?

By the Chairman:

Q. They buy in wholesale quantities, and pay on the same basis as other people?—A. That would be wholesale business, and the wholesale business gets 5 per cent.

By Mr. Sales:

Q. You remember Mr. McConnell answered yesterday the same question. —A. I do not recall that situation, but however, I will say this, that the proof is that if you give me an order now, I will take it.

Q. If a bunch of farmers got together and sent you an order for a car, with the cash, you would send it too?—A. I will say this, that I will sell that Merchants' consolidated right now, but you have to give me a little time to think the farmers' standpoint over. I mean the individual farmer.

Q. I will give you this idea. We have very large threshing gangs, 12 or 14 men, as high as 20. Do you think a man engaged in that line of business should be forced to go and pay tribute to wholesalers or retailers, or should he be allowed to buy in wholesale quantities, the same as anybody else?—A. It would be much better for him to buy in wholesale quantities.

The CHAIRMAN: We are very much obliged to you for your waiting over and helping us this morning.

The WITNESS: I am very pleased, Mr. Chairman and gentlemen, to come here and try to explain anything away that it is possible for me to explain. I hope I have accomplished something and I am very very pleased and thankful to hear from the gentleman to the right (Mr. Elliott) with regard to that notice in the paper. I knew there was some misunderstanding or slip.

Mr. DOUGHERTY: May I be allowed to explain something?

The CHAIRMAN: I will give you five minutes.

Mr. DOUGHERTY: I am coming back to the statement that the farmers did not have the facts and that was the cause of dis-satisfaction. Now, in regard to the question which was raised as to why I was acting as Secretary of the Beet Growers' Association, and Mr. French, the President. At that time I was not growing beets. I think at the time our Association was organized, Mr. French was growing beets. I was the representative of the Ontario Department of Agriculture, and it was convenient for the farmers to use me as Secretary. I never got anything for my services and I tried to be fair to all parties

The CHAIRMAN: I am sure of that.

Mr. DOUGHERTY: I did not agitate in any way. The fact that our membership was not larger was due to the fact that farmers as a rule do not know the advantage of being thoroughly advertised, and we had no men out in the field organizing the farmers, but when it came down to the lawsuit—the Minute book was in London at the time, and I put down the money received from the individual farmers, and it was all the way from 50 cents to $50.00, over $3,000.

By Mr. Sales:

Q. Collected from the farmers?

Mr. DOUGHERTY: Collected from the farmers, so they were certainly behind the organization at that time. Then in regard to the question as to whether the farmer is receiving what he should or not for the beets, that question has always been under discussion. Well, take Mr. Wilson's figures. He received $488.05 from his 6⅓ acres of beets. His beets tested 16½ per cent, and according to the best information I could secure, the company would have $1,535.68 for their share.,

Mr. SALES: That is 77 tons of beets?

Mr. DOUGHERTY: Yes. That is over three times what the farmers received.

Mr. SALES: You mean they received that in sugar?

Mr. DOUGHERTY: Yes. That is, I have figured that on a basis of 277 pounds to the ton.

The CHAIRMAN: 277 pounds?

Mr. DOUGHERTY: 277 pounds of sugar to the ton.

The CHAIRMAN: Mr. Houson says 200.

Mr. DOUGHERTY: Mr. Houson, I think, will agree with me that the average accepted figures is 240.

Mr. HOUSON: Our extraction has ranged from 170 to 230 pounds.

The CHAIRMAN: Is 200 pounds a fair average.

Mr. HOUSON: A fair average.

Mr. DOUGHERTY: That is not in accordance with the Government reports we have.

The CHAIRMAN: What Government reports?

Mr. DOUGHERTY: Perhaps I am not right in saying the Government reports. You take the journal published by Mr. Palmer in the United States, who I think was employed by the Beet Companies, he sets an average at 240, according to a report which Sir George Foster, I think, put out in 1920, if you take the total tonnage of beets, and the total pounds of sugar, it figures out at practically 260 pounds per ton.

Mr. BOUCHARD: It was a very dry year.

The CHAIRMAN: In fairness to the Committee, after having given you ample opportunity of placing everything before us, you are bringing forward new matter, and in fairness to Mr. Houson we will have to hear him again, because you are contradicting him.

Mr. SALES: That 77 tons you say results in 150 what? Dollars?

Mr. DOUGHERTY: $488.05, the farmer received.

Mr. SALES: The company?

Mr. DOUGHERTY: At 277 pounds of sugar to the ton, that would bring $1,535.68.

Mr. SALES: This is your price on the sugar sold at $7.20.

Mr. DOUGHERTY: Yes.

Mr. SALES: At the same time?

Mr. DOUGHERTY: Yes. I think that was the price received that year.

Mr. SALES: 277 pounds per ton?

Mr. DOUGHERTY: Yes.

Mr. SALES: That is not right.

Mr. DOUGHERTY: It is 16 per cent sugar.

Mr. SALES: Alright.

Mr. DOUGHERTY: I am open to correction on that.

Mr. SALES: We will give Mr. Houson an opportunity on that.

Mr. DOUGHERTY: Pardon me, before taking my seat. I think that Mr. Houson admitted at the time of the trial that Sir George Foster's figures were according to their findings that year.

The CHAIRMAN: Mr. Houson, would you come forward? You have heard what Mr. Dougherty said. Have you any light to give us on the matter.

Mr. HOUSON: That is regarding extraction?

Q. First of all, regarding extraction?—A. Mr. Dougherty made the statement that these figures were secured by a gentleman named Wilson. Take the Ontario records, or at least the United States records, California and Colorado and those sections of the country get a very, very high sugar content, running to 16 per cent, 17 per cent and 18 per cent, and the saccharine quality is of such a nature that they get a very much higher extraction than in Michigan or Ontario. I should say they lose only about 50 per cent of the amount we lose in extraction.

By the Chairman:

Q. On the oath you have taken, is your average extraction about 200?—A. Our average extraction is about 200.

By Mr. Bouchard:

Q. How does your average compare with the average in Michigan?—A. Our average runs just about the same.

By the Chairman:

Q. Were there some figures given in one of the Department of Commerce reports, stating that the average was 277?—A. No, sir.

Mr. DOUGHERTY: No, that was 260. The total tonnage was given and the total pounds of sugar. I was of the impression that you admitted that that report of Sir George Foster's was correct.

The WITNESS: No, if there was any such report it has been a typographical error.

By Mr. Sales:

Q. To clean this up, take that 77 tons of sugar at 16½ per cent; what would your extraction be?—A. 16½ per cent would be about—.

Q. 210 or 220?—A. About 240.

Q. 240 pounds?—A. Yes.

Q. How much sugar would that produce, 240 pounds?—A. That is 240 pounds of sugar to the ton.

Q. From the 77 tons you bought from Mr. Campbell, or Mr. Wilson?—77 tons at 240 pounds.

Q. Yes?—A. That would be 18,480 pounds.

Q. Now, at $7.20—is that a fair price for sugar at that period?—A. I really do not know when this transaction took place.

Mr. DOUGHERTY: That is last year's figure, $7.20 is what you paid.

The WITNESS: Yes. I really do not know what this is at all.

By Mr. Sales:

Q. Never mind that. Here is the amount of sugar you got; here is the price you sold your sugar at in 1922?—A. Yes, $7.20.

Q. How much would the company get for these 77 tons which it received from Mr. Wilson?—A. I see what you are driving at now.

Q. Less your cost of production and profit and so on?—A. I have the two Wilsons mixed up, I thought you meant the Wilson in New York that Mr. Doherty alluded to. 77 tons of beets, 16½ per cent would bring 240 pounds—

By the Chairman:

Q. Our calculators have here made it that the farmer got $488.05 and that the refiners got $1,830.56, and then the difference between what the farmer got and what the refiner got was $842.51. Then, of course, the refiner would have his costs, too.—A. We have $2.25 per hundred, operating expenses. Then we have the freight also.

Q. But do you not absorb part of the freight, because you are not on the equalized freight system?—A. But this is on the beets we used. At that time the rate—these were coming in by the electric line?

Mr. DOUGHERTY: Yes.

The WITNESS: We paid $1.10 at that time, against an 80 cent rate that we used to have. That is $1.10 a ton, and that would be $84.07 in freights.

By the Chairman:

Q. Mr. Doyle makes out that your costs of refining would be $412.05, which would give you a net profit of $400 odd. There is something more to come off that, your freight and your selling expenses?—A. Yes, our selling expenses.

Q. What would that be?—A. About 60 cents a hundred.

Q. And the freight is how much a hundred?—A. The average freight would be, I presume, about 60 cents a hundred.

Q. We will call that $1.20 a hundred on both. That is $221.76, leaving you a net profit of $208.70. Is that about right?—A. We made no profit at all that year.

Q. You might possibly have made it at one time?—A. Yes, but we made no profit whatever in beet sugar in that year.

By Mr. Sales:

Q. Why would not your profits bear the same relation to the beet sugar content? This is a high content?—A. Yes, but we figured 240 pounds there, and as an actual fact we only got less than 200.

Q. You are the man who figured the content on the 16½ basis?—A. Yes, but that is not our average. We have had beets—we had beets brought in in 1921 that tested 10 per cent.

Q. Then apparently this man with the high sugar content was certainly a profitable customer?—A. Yes.

Q. And he did not get all that was coming to him on account of his high content?—A. We have to give and take; we get a lot of beets very low in content.

The CHAIRMAN: That is the whole thing that the agricultural authorities of this country have been trying to insist upon, that milk should be sold upon the butter fat content; I should say the same principle applies more or less to the beet sugar business.

I think, gentlemen, we might adjourn now; it is half-past one. We have had a very interesting morning. We thank you very much, Mr. Houson.

The witness retired.

The Committee adjourned.

APPENDIX No. 3

EXHIBIT No. 1

Regulation of Movement of Imported Cattle.

License for Movement From Landing Place.

1. (1) No imported cattle shall be moved from the landing place at which they are landed except under a licence granted by a veterinary inspector and in accordance with such condtiions, if any, as may be imposed by the licence and with the regulations contained in this schedule.

(2) A license granted under this provision shall be a license authorizing the cattle to be moved either to—

(a) a market specially authorized in writing by the local authority of the district for the purposes of this provision (in this Schedule referred to as "an authorized market"); or

(b) premises (including a slaughterhouse) other than an authorized market.

(3) A local authority may, if they think fit, instead of granting an authority for the purposes of this provision in respect of the whole of a market, grant such an authority in respect of some part of a market, and where a part of a market is so authorized the provisions of this Schedule shall, unless the context otherwise requires, have effect as though references to a part of a market were substituted for references to a market.

(4) A copy of every authority granted by a local authority for the use of a market for the purposes of this provision shall be sent forthwith by the local authority to the Ministry.

Conditions to be Complied with in the case of Cattle in Authorized Markets

2. (1) Imported cattle which have been moved to an authorized market shall at all times therein be kept separate from all animals other than imported cattle, and shall not, if part only of a market is authorized for the purposes of this Schedule, be permitted, while any such other animals are in the market, to enter any part of the market other than the authorized part.

(2) No animals other than imported cattle shall be permitted to enter an authorized market.

(3) Imported cattle exposed for sale at an authorized market shall not be moved therefrom otherwise than under a license granted by a local inspector and in accordance with such conditions, if any, as may be imposed by the license or otherwise than to premises, not being an authorized market, to be there detained in accordance with the provisions of this Schedule.

Detention of Imported Cattle on Arrival at Premises other than Market

3. When imported cattle have under a license in that behalf been moved to premises other than an authorized market, whether from the landing place or from an authorized market, they shall on arriving at those premises be detained therein, unless previously slaughtered therein, for a period of six days from the date of arrival.

During the said period the cattle shall not be moved from the said premises otherwise than under a further licence to be granted by a local inspector, or otherwise than to a slaughterhouse, to be therein detained until they are slaughtered, or to a vessel for export.

Temporary detention in special enclosures of cattle awaiting sale at market

4. —(1) Where a licence has been granted under this Schedule authorising the movement of imported cattle to an authorised market, the cattle may by virtue of that licence, subject as hereinafter provided, be temporarily detained in special lairs or other enclosures adjoining or near to the market while awaiting exposure for sale in the market:

Provided that—

(*a*) the lairs or enclosures must be lairs or enclosures the use of which has been authorised by the local authority for the purpose of this provision, and the use of the lairs or enclosures for the purpose aforesaid shall be subject to such directions as may be given by or on behalf of the local authority;

(*b*) the lairs or enclosures must not be used for any animals other than imported cattle in course of being moved to an authorised market under this Schedule;

(*c*) the cattle shall not remain in the lairs or enclosures for a period exceeding seventy-two hours.

(2) If the Minister after making enquiries is satisfied that it is for any reason inexpedient or undesirable that any lairs or other enclosures, the use of which has been authorised for the purpose aforesaid, should be used for that purpose, the Minister may direct that those lairs or enclosures shall cease to be authorized lairs or enclosures for the purpose of this provision.

Provisions as to licences and movement

5.—(1) A licence granted under this Schedule for the movement of imported cattle shall remain in force for a period of five days, inclusive of the day on which it is granted, and no longer.

(2) A copy of every licence granted under this Schedule shall be sent forthwith by the veterinary inspector or local inspector by whom it is granted to the local authority of the district in which the authorised market or other authorised place of destination is situate, and also, where the place of destination is not an authorised market, to be occupier of that place.

(3) Every licence granted under this Schedule shall accompany the cattle to which it relates throughout the time during which they are being moved thereunder, and shall on demand be produced by the person for the time being in charge of the cattle to any veterinary inspector or local inspector or police constable.

(4) A licence authorising the movement of imported cattle to an authorised market shall be delivered up at the entrance to the market by the person for the time being in charge of the cattle to the person appointed by the local authority for the purpose of receiving such licences, and every licence authorising imported cattle to be moved elsewhere than to an authorized market shall forthwith after the arrival of the cattle at the authorised place of destination be delivered up at, or sent by post to, the nearest police station in the district by the person then in charge of the cattle.

(5) Imported cattle to be moved under a license granted under this Schedule shall, so far as is practicable, be moved by rail, and shall in all cases be moved without unnecessary delay and direct to the authorized place of destination.

(6) Where imported cattle are being moved by rail they shall not, until they reach the railway station from which they are to be moved to the premises

specified in the licence, be removed from their trucks for any purpose other than the purpose of being fed or watered, and then only at some railway station, and if removed for that purpose shall not be taken outside the station premises:

Provided that, nothing in the foregoing provision shall prevent the removal from its truck of any animal on account of any injury sustained by it or for any other necessary purpose.

Savings

6. Nothing in this Schedule shall

(*a*) apply to imported cattle intended for exhibition or other exceptional purposes, the landing of which is allowed for the time being by the Minister subject to the provisions of Part II of the Third Schedule to the principal Act; or

(*b*) be deemed to authorize the movement of any cattle in contravention of any order of the Minister, or any regulation of a local authority prohibiting or regulating the movement of cattle.

Interpretation.

7. In this Schedule, unless the context otherwise requires—

The expression "market" includes a fair-ground or saleyard:

The expression "local inspector" means a person appointed by the local authority of the district to be an inspector for the purposes of the principal Act:

The expression "slaughterhouse" means any premises where animals are habitually slaughtered.

" (2) The conditions to be fulfilled for the purposes of this section are as follows:—

(*a*) The cattle must before shipment have been marked indelibly in such manner as the Minister may prescribe, and must have been shipped from a port in the Dominion of Canada;

(*b*) The vessel to be used for the voyage must have been inspected by the representative of the Minister in Great Britain, or by the duly authorized representative of the Government of the Dominion of Canada, and found to be suitable and properly fitted and equipped for the humane treatment of the cattle during the voyage, and the avoidance of unnecessary suffering by the cattle.

(*c*) The Minister must be satisfied—

(i) that the cattle were for a period of three clear days immediately before shipment kept separate from other animals, and were examined from time to time during that period by a duly authorized veterinary officer of the Dominion of Canada, and in particular were thoroughly so examined immediately before shipment, and that on such examination no animal examined was found to be affected with cattle plague, pleuro-pneumonia, or foot-and-mouth disease;

(ii) that the cattle were not at the time of shipment affected with mange or any other disease which is declared by the Minister to be a disease within the meaning of this provision;

(iii) that, if at any time within twenty-eight days before the shipment of the cattle the vessel in which the cattle are brought to Great Britain had had on board any animal which had been exported or carried coastwise from any port or place in any country other than Great Britain or the Dominion of Canada, or had entered or

been within any such port or place, the vessel was before the shipment of the cattle effectively cleansed and disinfected to the satisfaction of the duly authorized representative of the Government of the Dominion of Canada;

(iv) that the cattle were during the voyage kept separate from other animals and daily examined by a duly authorized veterinary officer of the Dominion of Canada, and that on such examination no animal examined was found to be affected with cattle plague, pleuro-pneumonia, or foot-and-mouth disease;

(v) that the vessel did not during the voyage enter any port or place outside Great Britain;

(*d*) The cattle must be landed at a port and at a landing place approved by the Minister for the purpose of this section.

" (3) Cattle landed under this section shall be detained at the landing place at which they are landed and there isolated from all other animals for such period, commencing from the time at which the landing of the cattle is completed, as may be required for the thorough examination of the cattle by veterinary inspectors and the issue of licences for their movement, and no cattle shall be moved from the landing place unless and until the movement is authorized by a licence granted in accordance with the provisions of the Schedule to this Act."

EXHIBIT No. 2

BRITISH COLUMBIA FRUIT GROWERS

Membership Agreement

series a (present members of existing locals)

The undersigned, being a producer of fruits or of vegetables, and a member of the Co-operative Association (hereinafter called the Local) duly incorporated under the laws of the province of British Columbia, for the purpose of encouraging and fostering production, for stablizing markets, and for co-operatively and collectively handling the problems of growers of fruits and of vegetables and other pertinent questions, agrees that the Local shall become a member of the Co-operative Growers of British Columbia Limited (hereinafter called the Co-operative) a company to be incorporated under the laws of the province of British Columbia.

The undersigned further agrees that the Co-operative shall be the sole and exclusive marketing agent for all fruits and vegetables to be packed by or secured through the Local.

In consideration of the premises and for the express benefit of the Local, and of the Co-operative, the undersigned further agrees:

1. (*a*). That wherever the word " Grower " is used herein, it means any person or persons, partnership or corporation, engaged directly or indirectly, wholly or in part, in the production of fruits or of vegetables.

(*b*) That wherever the word " fruits " is used herein, it means all fruits, and that wherever the word " vegetables " is used herein, it means all vegetables, except potatoes grown for certified seed and by Government authority duly certified as such, and vegetables grown especially for drying, canning or pickling, and except those vegetables especially grown for disposal outside the Co-operative

under the terms of a contract between a grower and a duly incorporated vegetable commodity association whereof written notice shall have been given the Co-operative before the first day of June in any year.

2. The Local shall (*a*) become a member of the Co-operative; (*b*) become a party to a Marketing Agreement hereinafter referred to; (*c*) devote itself to the problems of packing fruits and vegetables for its members, and for such purposes it shall make a cross contract with the Co-operative providing substantially that the Local shall handle, grade, pack, store and deliver, in accord with the directions, rules and regulations laid down by the Co-operative, all the fruits and vegetables delivered to it under the terms of this contract and that the Co-operative shall have the sole and exclusive right to market, sell or otherwise dispose of any and all such fruits and vegetables whereof an account shall be rendered to the Local, which in turn shall account to the growers for the net proceeds thereof.

3. The Local may include in its membership any landlord or lessor of land on which fruits or vegetables are grown (provided such landlord or lessor receives all or part of his rental in fruits or vegetables) or any tenant or lessee of such land.

4. It is hereby stipulated and agreed that certain real and personal property for the purposes of establishing, equipping, and maintaining adequate packing houses, warehouses or other plants necessary to handle, pack, warehouse or store the fruits and vegetables, the subject of the activities of the Co-operative shall be purchased, constructed, leased, or acquired and after acquisition thereof be maintained, by a Holding Company to be incorporated under the laws of British Columbia, to be known as Co-operative Growers' Packing Houses Limited, which company shall have power to issue first and second debentures in order to procure said properties. In each year proportionate deductions shall be made from the returns to each grower as is provided for by said Marketing Agreement. When any part of such deduction shall have been applied as to principal in reduction of first debentures, there shall thereupon be issued to said grower fully paid-up shares of the common stock of the said Holding Company if such grower's fruits or vegetables are packed in any packing house operated by a Local leasing a house or houses owned by the said Holding Company. If his fruits or vegetables be packed elsewhere, second debentures shall be issued to such grower. The first debentures being retired, the deductions to retire second debentures shall then continue to be made but only from those growers whose fruits or vegetables are packed in a house or houses operated by the Locals leasing houses owned by said Holding Company, and there shall thereupon be issued to said growers fully paid-up shares of the common stock of the said Holding Company. The stock and the second debentures issued shall be of a par value equal to the deductions so applied. No stock shall be issued in respect of the amount of deductions of less than one dollar. No second debentures shall be issued in respect of the amount of deductions of less than ten dollars.

5. If by the 30th day of March, 1923, Agreements shall have been executed by growers of eighty per cent of the fruit tonnage produced in the Okanagan, Similkameen, Grand Forks, Kootenay, Salmon Arm and main line district of British Columbia, including Lytton and point East thereof, in the form similar hereto or otherwise to like effect in that the general scheme hereof is the subject thereof, this Agreement shall then, but not otherwise, become operative. If such percentage of signature shall not have been procured at said date, notice in writing shall immediately be sent to each subscriber at his given address.

6. As to all matters of fact, in connection herewith, whether percentage of tonnage, signatures or otherwise, the certificate of the Chairman and the Secretary of the Organization Committee for the proposed Co-operative shall be conclusive.

1. It is stipulated and agreed that the Marketing Agreement hereunder written shall be, unless and until altered as therein provided, part and parcel hereof.

MARKETING AGREEMENT

THIS AGREEMENT made in triplicate this day of 192

BETWEEN

of hereinafter called the "Grower," of the First Part,

AND

a body corporate, duly incorporated under the laws of British Columbia, with its registered office at in said Province, hereafter called the "Local," of the Second Part,

AND

The CO-OPERATIVE GROWERS OF BRITISH COLUMBIA, LIMITED, a body corporate duly incorporated under the laws of the Province of British Columbia, with its registered office at the city of Vernon, in the province of British Columbia, hereinafter called the "Co-operative" of the Third Part.

WITNESSETH:

1. The grower is a member of the Local and is helping to carry on the express aims of the Local, as a member of the Co-operative for co-operative marketing, for minimizing speculation and waste, and for stabilizing fruit and vegetable markets in the interests of the grower and the public through this and similar obligations undertaking by other growers.

2. The Local is a member of the Co-operative and as such is obligated and bound and does by these presents obligate and bind itself to ship or otherwise dispose of said fruits and vegetables delivered to it as directed by the Co-operative and not otherwise.

3. The Co-operative agrees to dispose of at the best possible advantage, and the grower agree to consign and deliver in the manner, on the terms and under the conditions hereinafter set forth, to the Local for the Co-operative, all of the fruits, and all of the vegetables, produced or grown by or for him, or in which he shall have any interest, at any place in British Columbia covered by the activities of the Co-operative or which may be otherwise acquired by him during the year 1923 and every year after continually, provided that the grower may give notice in writing of cancellation of this agreement to Co-operative and Local at any time before, and with effect from March 1, 1928, and similarly in any fifth year thereafter, that he intends to sell or market or consign or deliver directly or indirectly for sale or marketing or consignment to any person, firm or corporation whatsoever.

(*a*) This agreement shall not cover potatoes grown for certified seed and by Government authority duly certified as such; nor vegetables grown especially for drying, canning, or pickling; nor shall it cover those vegetables especially grown for disposal outside the Co-operative under the terms of a contract between a grower and a duly incorporated vegetable commodity association whereof written notice shall have been given the Co-operative before the first day of June in any year.

4. The grower hereby appoints the Co-operative his sole and exclusive agent, and also as the attorney in fact, for the purposes hereinafter set forth, with full power and authority in its own name, in the name of the grower or otherwise, to transact such business and take such action as may be necessary, incidental, or convenient for the accomplishment thereof, coupling such appointment with a direct financial interest as the common agent and attorney in fact of all growers hereunder, and without power of revocation for the full term hereof;

(*a*) To dispose of any and all such fruits and vegetables in whatsoever way it shall judge to be to the best advantage of the grower.

(*b*) To pay or retain and deduct from the gross returns thereof such growers' proper proportion of all brokerage, advertising, taxes, tolls, freights, legal expense, and all other proper charges such as salaries, fixed charges, and general expenses of the Co-operative, and in addition the Co-operative may deduct one per cent of the gross selling price of such fruits and vegetables as a commercial reserve to be used for any of the purposes or activities of the Local and Co-operative.

(*c*) In the event of the dissolution of the Co-operative any then unused balance of the Commercial Reserve shall be distributed to the Locals in the same proportions in which it was contributed. In case of the withdrawal of any Local from the Co-operative there shall be paid to said Local from the balance at credit of said Commercial Reserve one-third only of its proportionate share.

(*d*) The grower agrees that the Co-operative may settle any and all claims for damages which may occur to fruits or vegetables during transit or that may arise in connection with the exercise of any of the power or authority herein granted.

(*e*) The grower agrees that the Co-operative shall deduct from all receipts for fruits or vegetables sold by it the sum of five cents per box of apples, pears, and of crab-apples, and two and one half cents per crate, sack, or other package of all other fruits and of vegetables, the same to be applied in reduction of the debentures issue and the preference stock of the holding company referred to in the Membership Agreement and to be made annually until said debenture issue and said preference stock shall have been retired.

(*f*) In case at any time the grower shall fail to fulfil on his part the provisions of this Agreement, or any of them, or shall fail to deliver the said crops to the Local as herein provided, it is further agreed by and between the parties hereto that the Local or the Co-operative shall be entitled, without legal process, to take exclusive possession and control of said crops, and to harvest, pack and market the same according to the terms of this Agreement, or at its option, to take any legal action to obtain possession thereof, or to have a Receiver appointed with power to take exclusive possession and control of said crops and deliver the same to the Local as hereinbefore provided, or otherwise to dispose of the same as a Court having jurisdiction in that behalf may direct. If possession shall be taken of said crops in any manner by the Co-operative or the Local, there shall be retained out of the proceeds derived from the sale thereof, in addition to the sums heretofore provided for, all expenses incurred in connection therewith by the Co-operative or the Local.

5. From time to time the grower shall furnish promptly any and all statistical data requested by the Local or by the Co-operative and on the forms provided for the purpose by the Local or by the Co-operative.

6. The grower expressly warrants that he is now in a position to control said crops, and covenants to deliver same according to this Agreement, and that he has not heretofore contracted to sell, market, or deliver, any of his said fruits or vegetables to any person, firm, or corporation, except as is stated at the end of this Agreement, and any crops covered by any such existing Agreement shall be excluded from the terms hereof to the extent and for the time there indicated.

7. All fruits and vegetables shall be delivered by the grower at a warehouse or packing house of the Local or if specially directed at some other point if no greater expense is caused in so doing; such delivery to be made at the earliest reasonable time when ready or as directed by the Local.

8. The Co-operative shall from time to time make rules and regulations regarding harvesting, handling, delivering, standardizing, grading, classifying and packing fruits and vegetables and other matters pertinent hereto, and shall

provide inspectors to enforce said rules and regulations and the grower and the Local each agrees to observe and perform such rules and regulations and to accept the grading and standards established by the Co-operative. The determination of the Co-operative as to grades and standards shall be final.

(*a*) The rules and regulations current at any time shall be deemed to be a part hereof as though embodied herein.

(*b*) The Local by conforming to the rules therefor prescribed by the Co-operative shall have the right to pack or box fruits or vegetables under a distinctive brand. Any grower who has hitherto packed his own fruits for disposal through a local or other agency and has used his own packing house therefor may continue to use said packing house and there pack his own fruits, either under his hitherto established individual or distinctive brand or otherwise, providing that before the first day of July in any year said packing house shall have been designated to the Local and to the Co-operative and permission to pack there be specifically given by the Local and by the Co-operative. In such event all rules and regulations of the Local and of the Co-operative shall extend thereto.

(*c*) Any loss that the Co-operative or Local may suffer on account of fruits or vegetables of inferior quality or standard shall be paid by the Grower thereof, and be deducted from his net returns hereunder, or if it be impossible to determine the Grower thereof the Local pool shall bear the loss.

(*d*) Fruits or vegetables unfit for shipment must be refused and rejected by the Local, and the manager of the Local shall be the sole judge of such unfitness. Such rejected fruits or vegetables may not be offered for sale elsewhere by the Grower.

9. The Grower hereby agrees that the Local may pool or mingle the fruits or vegetables of the Grower with fruits or vegetables of a like quality or grade delivered by other Growers, and that all fruits and vegetables delivered to the Local may be pooled by the Co-operative by grade and variety, and payments in respect thereof shall be made from time to time, as rapidly as possible, in due proportion, until the accounts of the pools are completely settled, and shall be so distributed, not later than the first day of June in the year following delivery of such fruits and vegetables.

10. The Grower further agrees that the Co-operative after making the necessary deductions hereinabove provided shall pay over to the Local all balances due to said Local in accordance with the variety and grades of fruits and vegetables shipped from said Local. The Local shall, thereafter, as soon as practicable, pay to the Growers the net balance due to them, after first deducting such Growers' proper proportional share of the total cost of handling, cartage, packing, warehousing, loading and all other proper charges, including salaries, fixed charges, rents and general expenses, incurred by the Local.

11. There shall also be retained, if deemed advisable, a reserve fund or funds necessary to meet contingencies or the better to enable the Local to finance or operate its business; there shall also be retained any moneys due the Local for material or supplies furnished or moneys advanced to the Grower or any other indebtedness or obligation due the Local, the same to be a first lien upon the balance due the Grower by the Local.

12. If this Agreement is signed by or on behalf of a co-partnership, each and every member thereof shall be and be deemed to be a Grower, and in the event of the dissolution or termination of the said co-partnership each member thereof shall be bound by the terms hereof.

13. This Agreement expressly covers the crops to be produced on the land owned or leased by the Grower located as generally described on the signature stub herein below, and in addition expressly covers any and all fruits and

vegetables that the Grower may produce or acquire from or on any other land in British Columbia covered by the activities of the Co-operative, and more particularly defined in the membership agreement, whatsoever during the term hereof.

(*a*) If the Grower transfers any or all of his fruit or vegetable land or any or all the fruits or vegetables owned or controlled by him which are the subject of this agreement, to any member of his family by blood relation or marriage, or to any trustee for himself, or any such member of his family, any such transfers shall be deemed to be a Grower and be bound by the terms of this agreement.

(*b*) Any transfer made by the Grower to any person, firm or corporation, whatsoever, after March 1st of any year, shall be conclusively deemed to be made subject to this agreement and all its obligations for that calendar year, and the transferee shall be bound by the terms of this agreement. If the Grower shall, except as referred to above, in good faith sell or transfer the said lands or any part thereof, and give written notice of such sale to the Local and Co-operative then this agreement shall be cancelled as to such lands so sold as on the first day of March following receipt of such notice.

14. It is agreed that the Grower may, subject to the terms of this agreement, mortgage or pledge his interest in any of his crops, and the mortgagee or pledgee may file notice with the Local, and the said Local shall thereupon account to the mortgagee or pledgee for the net proceeds of any crop which may come into its hands, and after deducting any and all claims and liens which the Local may have upon the same, shall remit the balance, if any, to the Grower.

15. This Agreement although individual in expression is one of a series either identical or generally similar in terms and together with all such agreements comprises one contract. The Local or the Co-operative shall be deemed to be acting with regard to all such Growers in all things it or they may lawfully do under the terms hereof whether in legal proceedings or otherwise.

16. Inasmuch as it is now and always will be impracticable and extremely difficult to determine the actual damage resulting to the Local and the Co-operative should the Grower fail so to deliver his fruits and vegetables, the Grower hereby agrees to pay to the Local as liquidated damages for the breach of this contract, and not as a penalty, for all fruits and vegetables withheld, delivered, sold, consigned, or marketed by, or for him other than in accordance with the terms hereof, twenty-five cents per package of all fruits and fifteen cents per crate, sack, or other package of vegetables. All parties agree that this contract is one of a series dependent for its true value upon the adherence of each and all of the Growers to each and all of the said contracts.

17. The Grower agrees that in the event of a breach or threatened breach by him of any provision regarding delivery of fruits or vegetables the Local shall be entitled to an injunction to prevent breach or further breach hereof, and to a decree for specific performance hereof according to the terms of this Agreement, and the parties agree that this is not a contract for personal services or demanding exceptional capacity or talents and will be the proper subject for the remedy of specific performance in the event of a breach or threatened breach hereof.

(*a*) If any action or proceeding be successfully brought against any Grower in respect of any breach or threatened breach of any term or terms hereof, then the Grower shall pay the plaintiff in such action or proceeding solicitor and client costs and the same shall be included in the Judgment.

18. In the event of a breach or threatened breach on the part of the Grower of any term or terms hereof, and if the Local refuse or neglect to institute pro-

ceedings under paragraphs 16 or 17 hereof, the Co-operative shall be at liberty so to do using if necessary the name of the Local for that purpose. In such event any and all moneys recovered in any such proceedings shall be and become the moneys of the Co-operative.

19. The parties agree that there are no other conditions, promises, covenants, representations or inducements, in addition to or at variance with any of the terms hereof, and that this Agreement represents the voluntary and clear understanding of all parties wholly and completely.

20. It is hereby agreed by and between all parties hereto, that, with the consent of the Local and of the Co-operative, on the 30th day of March, 1928, or quinquennially thereafter any Grower may substitute for this Marketing Agreement another marketing agreement substantially in the same terms.

In witness whereof the parties hereto have hereunto set their hand and seal and corporate seals respectively.

END OF MARKETING AGREEMENT

8. It is expressly agreed that this instrument is one of a series substantially identical in terms, and that all such instruments shall be deemed one contract as if all the subscribers had signed only one such contract.

Signed, Sealed and Delivered by the Grower in the Presence of
Sealed, Delivered and Countersigned by the of the Local in the Presence of
Sealed, Delivered and Countersigned by the of the Co-operative in the Presence of

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EXHIBIT No. 10

Printed as Appendix to Evidence of Mr. C. B. Watts, given before Committee on Thursday, March 22, 1923

"BARR SERVICE"

FLOUR

OCEAN FREIGHT RATES EFFECTIVE MARCH 1, 1923, FROM BOSTON, NEW YORK, PHILADELPHIA, BALTIMORE, NORFOLK AND NEWPORT NEWS

TO

Direct Rates in Cents per 100 Pounds (Except as noted)

Aberdeen	18 (3)*	Azores	45-50
Abo	27-29	Beirut	$8.72 (1)
Alexandria	30	Belfast	17 (2)
Algiers	35	Bergen	25
Antwerp	15	Bordeaux	20
Amsterdam	15	Brailla	$9.72 (1)
Avonmouth	17 (2)	Bremen	14

APPENDIX No. 3

Bristol	17	(2)	Libau	28	
Cardiff	17	(2)	Liverpool	14	(2)†
Casablanca	40		London	14	(2)†
Ceuta	30		Londonderry	17	(2)
Christiania	25		Malmo	27	
Constantinople	30		Manchester	14	(2)†
Constanza	$9.72	(1)	Malta	35	
Copenhagen	25		Marseilles	30	
Cork	17	(2)	Naples	30	
Danzig	24		Newcastle	17	(2)
Dublin	17	(2)	Norrkoping	27	
Dundee	15	(2)†	Oran	35	
Fiume	35		Patras	$9.72	(1)
Galatz	$9.72	(1)	Piræus	30	
Genoa	30		Reval	29	
Gibraltar	40		Riga	29	
Glasgow	15	(2)†	Rotterdam	15	
Gothenburg	25		Salonica	30	
Hamburg	14		Smyrna	30	
Hango	29		Stockholm	27	
Havana	25		Tangier	30	
Havre	20		Trieste	35	
Helsingfors	27-28		Tunis	40	
Hull	17	(2)	Varna	$9.72	(1)
Las Palmas	50		Venice	35	
Leith	15	(2)†	Wiborg	29-31	

(1) Per ton of 2,240 pounds. All Rates subject to change without notice.

†(2) This rate applies on U.S. Flour only, Canadian Flour 19 cents per 100 pounds Canadian Currency.

(3) Direct service. One steamer per month from New York. *Canadian Flour 22 cents per 100 pounds.

A number of the above rates can be bettered on firm business.

Regardless of how large an export or traffic department you have, it is essential that you employ a freight broker and forwarder at the seaboard to properly protect your interests and thus insure your obtaining lowest freight and insurance rates, and maximum of service from railroads, steamship lines, etc. The freight broker and forwarder should occupy a position equal in importance to the engineer or legal adviser. His knowledge of transportation law, and of all the practical elements that enter into transportation, are correspondingly as great as the professional knowledge of the lawyer or engineer.

In addition to the fundamental principles of transportation, he must know:

(*a*) How every detail of the physical movement of freight is performed;
(*b*) The individual merits of the various railroad systems and steamship lines, and how they co-operate with each other;
(*c*) How to protect you by making freight engagements at lowest rates;
(*d*) How to eliminate waste and effect economies in shipping and transportation methods;
(*e*) How to properly prepare all documents.

We solicit the opportunity of sharing with you, the knowledge and experience gained by our fifteen years in the freight brokerage and forwarding business.

BARR SHIPPING CORPORATION,

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Philadelphia, Pa.,
Drexel Building.

Baltimore, Md.,
Marine Bank Building.

EXHIBIT No. 86

Dominion Bureau of Statistics—Internal Branch

Memorandum re Prices of Farmers' Sales and Farmers' Purchases

Prices of commodities sold by farmers are shown in statements 1, 2 and 3 under the following heads—Field Crops, Animals and their Products and Fruit and Vegetables. These prices have been weighted according to their relative importance in 1922, the results being as follows:—

Group.	Weight.	Index No. (1913 = 100)
Field Crop (inc. potatoes and turnips)	66.7	124.6
Animals and their Products	28.3	116.9
Fruits and Vegetables	5.0	110.7
All sales (weighted)	100.0	121.7

It has not been possible in all cases to procure producers' prices for 1913. In such cases wholesale prices have been used for both 1913 and 1922 (e.g. eggs).

Prices of commodities purchased are shown by groups. In the absence of a system of weighting or budget showing the importance which the various groups of commodities bear to the aggregate expenditure of the average farmer in Canada, no attempt has been made to bring same together or to show a composite index number for the prices of purchases made by farmers. It need hardly be pointed out that a simple average would be most misleading.

Prices of food, fuel and lighting have been published monthly in the *Labour Gazette*, based on the average of sixty cities in Canada. Other lines have also been covered on the basis of city prices. With the co-operation of the Fruit Branch of the Department of Agriculture, prices have also been secured for country points through local fruit inspectors. Parallel compilations have therefore been for certain commodities covered in this way.

Fruit inspectors, however, are located only at centres at which fruit is handled. The geographic representation of these prices is therefore not complete. A list of points covered is included with the statements of prices.

Prices for farm implements have been secured from representative firms showing prices in Old Ontario and the West (basis Reginal).

APPENDIX No. 3

The change in prices of farmers' purchases may be summarized as index numbers based on 1913 prices being equal to 100 as follows:—

	City Prices.	Country Centres.
Groceries }	149.2	151.3
Fuel, etc. }		153.9
Clothing	160.1	175.9
Hardware, etc	196.2	186.3
Paints	160.8	(2)
Lumber	179.0 (1)	179.0
Furniture	166.1	—
Miscellaneous	264.4	188.6

(1) for Country Centres.
(2) see Hardware Prices.

Farm Implements:

Eastern Canada, 173.1
Western Canada, 164.0

In addition to the co-operation of Fruit Branch of the Department of Agriculture, the Live Stock Branch of the same department has assisted in the matter of prices of live stock and animal products. For a portion of the prices included, however, it was necessary to seek new sources and the assistance of commercial houses supplying prices not only for the present but for 1913 is acknowledged. Certain comments were made by the latter in connection with prices of farm implements. These have been summarized and are included as a supplementary statement herewith.

DOMINION BUREAU OF STATISTICS—INTERNAL TRADE BRANCH

PRODUCERS' PRICES—FIELD CROPS

(Weighted)

Commodity	Unit	1913	1922	Index Number*	Relative Importance in 1922
Fall Wheat	per bush.	0 80	1 01	126·2	1·3
Spring Wheat	"	0 66	0 84	127·3	22·6
All Wheat	"	0·67	0 85	126·9	23·9
Oats	"	0 32	0 38	118·7	13·1
Barley	"	0 42	0 46	109·5	2·3
Rye	"	0 66	0 58	87·9	1·3
Peas	"	1 11	1 79	161·3	0·43
Beans	"	1 88	2 85	151·6	0·26
Buckwheat	"	0 64	0 84	131·2	0·57
Mixed Grains	"	0 55	0 60	109·1	1·2
Flaxseed	"	0 97	1 72	177·3	0·61
Corn for husking	"	0 64	0 83	129·7	0·81
Potatoes	"	0 49	0 54	110·2	3·5
Turnips	"	0 28	0 27	96·4	1·7
Hay and Clover	per ton	11 48	03 46	117·2	13·7
Alfalfa	"	11 85	12 77	107·7	0·72
Fodder Corn	"	4 78	4 97	104·0	2·1
Sugar Beets	"	6 12	7 88	128·7	0·11
Total Index for Producers' Prices (weighted)	.....	.....	.....	124·6	66·7

* 1913=100.

DOMINION BUREAU OF STATISTICS—INTERNAL TRADE BRANCH

PRICES OF SALES

Commodity	Grade	Unit	Average prices 1913	Average prices 1922	Index* numbers	Comments
Farm animals—						
Cattle	Butchers, choice steers, Toronto Globe	Cwt.	7·55	6·35	84·1	Average of Oct., Nov. and Dec. of each year taken.
Cattle	Western, Butcher, M. F. P.	"	6·375	5·028	78·9	" "
Hogs	Thick smooth, Toronto Globe and Live Stock Branch	"	8·468	10·85	128·1	" "
Sheep	Choice, Toronto Globe	"	5·04	6·31	125·0	" "
Wool	Western, domestic, semi-bright, c blood	Lb.	0·19	0·247	130·0	
(1) Beefhides	City cured	"	0·144	0·1275	88·5	
(1) Calfskins	City cured	"	0·175	0·167	95·4	
Dairy Products—						
Milk	Producers price, Toronto	8 gal. can	1·474	1·95	132·3	
Milk	Producers price, Montreal	gal.	0·20	0·237	118·5	
Butter	Dairy, Toronto Globe	Lb.	0·235	0·313	133·2	
Poultry and eggs—						
(2) Spring chickens	Live, Toronto	"	0·12	0·175	145·8	Jan. 1913 and 1923.
(2) Roosters	Live, Toronto	"	0·8	0·10	125·0	" "
Eggs	New laid, specials and extras	Doz	0·35	0·47	134·3	
				Index	116·9	

*1913=100.

(1) ¾c differentia between city and country beefhides and calfskins cured.

(2) Price paid to country merchants by dealers.

DOMINION BUREAU OF STATISTICS—INTERNAL TRADE BRANCH

PRICES OF FRUITS PAID PRODUCERS AND INDEX NUMBERS

(Prices collected by Fruit Branch)

Commodity	Grade	Locality	Unit	1913	1923	Index No. X
Summer Apples	No. 1	N.S.	Bbl.	1·57	1·10	70·1
Fall Apples	No. 1	N.S.	"	1·85	2·00	108·1
Winter Apples	No. 1	N.S.	"	2·02	1·975	97·8
Onions	Sample	Canada	Cwt.	1·87	2·31	123·5
Strawberries	.....	"	"	10½	15½	147·6
Raspberries	.....	"	"	13	19	146·2
Cherries	Sweet	"	"	10¾	14½	134·9
Cherries	Sour	"	"	9¼	11¾	127·0
Plums	.....	"	"	6½	7	107·7
Peaches	.....	"	"	8¼	6¾	81·8
Pears	.....	"	Box	1·35	1·44	106·7
Tomatoes	.....	"	Bushel	1·12	86¼	77·0
					Index	110·7

x 1913=100.

APPENDIX No. 3

DOMINION BUREAU OF STATISTICS—INTERNAL TRADE BRANCH

RETAIL PRICES OF GROCERIES, ETC.

Average for sixty cities in Canada.

Commodity	Grade	Unit	Average price Jan. 1913	Price Jan. 1923	Index No. x
Cheese		per lb.	·2075	·307	148·0
Bread		"	·0417	·067	160·7
Flour	Ordinary family	"	·0322	·044	136·6
Rolled oats		"	·0451	·055	121·9
Rice	Good medium	"	·0586	·105	179·2
Prunes	Medium quality	"	·124	·19	153·2
Sugar	Granulated in dollar lots	"	·0649	·096	147·9
Tea	Black medium, Indian or Ceylon	"	·358	·597	166·7
Coffee	Medium Mocha	"	·375	·536	142·9
Vinegar	White wine XXX	per qt.	·127	·152	119·7
Starch	Laundry	per lb.	·0964	·119	123·4
Coal	Anthracite	per ton	8·961	18·422	205·6
Coal oil		per gal.	·237	·316	133·3
Total index for Retail prices of groceries, etc					149 2

x1913 prices " =100.

DOMINION BUREAU OF STATISTICS—INTERNAL TRADE BRANCH

RETAIL PRICES OF CLOTHING

(City Prices)

Commodity	Fall, 1914	Fall, 1922	Index No. *
Men's—			
Suits	25 00	40 00	160 0
Overalls	1 25	2 25	180·0
Shirts	1 50	3 00	200·0
Underwear	2 50	3 50	140·0
Women's—			
Suits	25 00	40 00	160·0
Coat	16 00	24 00	150·0
Waists	3 00	4 00	133·0
Undershirts	2 50	3 50	140·0
Boots—			
Men's Fine	5 00	9 50	190·0
Men's Working	3 50	4 50	128·6
Women's	5 00	9 00	180·0
Total Index for Retail Prices of Clothing			160·1

*1914=100

DOMINION BUREAU OF STATISTICS—INTERNAL TRADE BRANCH

RETAIL PRICES

Commodities	Unit	Base, 1913	1913	Index
Furniture—				
Kitchen Tables	each	3·10	5·50	177·4
Kitchen Chairs	"	·62	·96	154·8
			Index	166·1
Hardware and Implements—				
Steel Hammers	"	·45	1·25–1·35	288·9
Bench Axes No. 2	"	·65	1·65	253·8
Meat Saw (household)	"	1·00	1·65	165·0
Storm Lantern	"	·75	1·25	166·7
Spade, "D" handle	"	·69	1·25	181·2
Hinge, hasp 6"	"	·12	·17	141·7
Dairy Pails, 10 qt	"	·25	·57	224·0
Dairy Pails, 12 qt	"	·30	·65	216·7
Field Hoe	"	·35	·65	186·7
Mrs. Potts Irons	set	·95	1·95	205·3
Poultry Netting	roll	2·15	4·65	216·3
Garden Plow, No. 1	each	10·50	15·00	142·8
Harrow, 4 section	"	12·75	20·65	162·0
			Index	196·2
Paints—				
Mixed House Paint	gal.	2·00	3·15	157·5
Barn Paint	"	1·05	1·75	166·7
Floor Enamel	qt.	·60	·95	158·3
			Index	160·8
Pottery—				
White Ironstone Ware—				
Cups and Saucers	doz.	·80	2·00	250·0
Tea Plates, 6"	"	·65	1·75	269·2
Breakfast Plates, 7"	"	·80	2·20	275·0
Dinner Plates, 8"	"	·90	2·50	277·8
Platters, 10"	each	·18	·45	250·0
			Index	264·4

DOMINION BUREAU OF STATISTICS—INTERNAL TRADE BRANCH

RETAIL PRICES OF CLOTHING

(County Centres)

Commodity	January 1913	Januray 1923	Index No.*
Men's—			
Suits	17·70	31·35	177·1
Overalls	1·359	2·33	171·4
Shirts	1·134	2·01	177·2
Underwear	2·097	3·51	167·4
Women's—			
Suits	18·233	32·41	177·8
Coats	16·267	29·22	179·6
Waists	2·248	4·34	193·1
Underskirts	1·13	1·86	164·6
Boots—			
Women's, fine	3·983	7·71	193·6
Men's, fine	4·781	8·18	171·1
Men's, working	3·263	5·31	162·7
Total Index for Retail Prices of Clothing			175·9

*1913=100.

APPENDIX No. 3

DOMINION BUREAU OF STATISTICS—INTERNAL TRADE BRANCH

RETAIL PRICES OF PURCHASE —compiled from data collected from local representatives at country points through the co-operation of the Fruit Branch (Dept. of Agr.)

Commodity	Grade	Unit	Dominion		Index Numbers*
			Average 1913	Average 1923	
Cheese		Per lb.	·189	·337	178·3
Bread		" "	·07	·093	132·8
Flour	Ordinary Family	" "	·031	·042	135·5
Rolled Oats		" "	·038	·054	142·1
Rice	Good Medium	" "	·066	·098	145·8
Prunes	Medium Quality	" "	·123	·184	149·6
Sugar	Granulated in $1 lots	" "	·055	·105	190·9
Tea	Medium, Indian and Ceylon	" "	·372	·626	168·3
Coffee	Medium, Mocha	" "	·405	·591	145·9
Vinegar	White Wine	" qt.	·135	·148	109·6
Starch	Laundry	" lb.	·09	·126	140·0
Biscuits	Sodas	" "	·098	·106	169·4
Tomatoes	Canned	" doz.	1·39	1·94	139·6
Peas	Canned	" "	1·40	1·85	132·1
Corn	Canned	" "	1·21	1·81	149·6
Salt	Rough	" cwt.	·942	1·73	183·6
Shorts		" ton	25·32	33·97	134·6
Tobacco	Cut Smoking	" lb.	·933	1·62	173·6
	Index				151·3
Fuel, etc.—					
Coal	Anthracite	Per ton	9·64	20·18	209·3
Coal Oil		" gal.	·216	·324	151·4
Matches		" box	·077	·148	192·2
Gasoline		" gal.	·257	·418	162·6
	Index				153·9
Hardware, etc.—					
Linseed Oil	Raw	Per gal.	·866	1·55	179·0
Turpentine		"	1·15	2·76	240·0
Wire	Fencing	" rod	·385	·555	144·2
Glass	Window	" sq. ft.	·065	·12	184·6
Cement	Portland	" bag	·72	1·18	163·9
Lead	White	" lb.	·096	·176	183·3
Putty	Linseed Oil	" "	·056	·117	209·0
	Index				186·3
Lumber—					
Hemlock	One inch long run	Per M	15·92	29·33	184·2
Pine	White 1 x 12	" "	20·50	38·00	185·4
Pine	Cuts and Better	" "	26·83	44·00	164·0
Spruce	Siding 1 x 3 to 1 x 10	" "	24·50	40·28	164·4
Lath	Spruce	" bundle	·366	·758	207·1
Shingles	Cedar	" "	·816	1·38	169·1
	Index				179·0
Miscellaneous—					
Cups and Saucers	Ordinary	Per doz.	1·47	2·85	193·9
Tumblers	Ordinary	" "	·637	1·23	193·1
Soap	Ordinary	" lb.	·052	·093	178·8
	Index				188·6

*1913=100.

NOTE: Prices collected only at those points at which Fruit Branch had representatives. Geographical representation is therefore incomplete.

DOMINION BUREAU OF STATISTICS—INTERNAL TRADE BRANCH

List of centres at which Fruit Branch Inspectors are located.

British Columbia—5:
- Vancouver, B.C.
- Fraser Valley, B.C.
- Nelson, B.C.
- Vernon, B. C. (2).

Alberta—2:
- Edmonton, Alta.
- Calgary, Alta.

Saskatchewan—1:
- Regina, Sask.

Ontario—4:
- Meaford, Ont.
- Ottawa, Ont.
- Cobourg, Ont.
- St. Thomas, Ont,

Quebec—2:
- Mont Joli, Que.
- Hemmingford, Que.

New Brunswick—1:
- Fredericton, N.B.

Nova Scotia—6:
- Wolfville, N.S.
- Kentville, N.S.
- Melvern Square, N.S.
- Waterville, N.S.
- Berwick, N.S.
- Falmouth, N.S.

DOMINION BUREAU OF STATISTICS—INTERNAL TRADE BRANCH

Retail Prices

(Basis Old Ontario Freights)

Farm implements	Unit	Jan. 1913	Jan. 1923	Index
Walking plow	each	14·75	22·80	154·5
Drill, 13 single disc, with grass box	"	79·00	141·00	178·5
Drill, 13 single disc, ordinary	"	84·00	133·48	158·9
Hay Rake, 30 tooth, 10 ft	"	31·00	47·75	154·0
Binder, 6 ft	"	135·50	214·00	157·9
Mower, 6 ft. heavy	"	54·00	97·00	179·6
Mower, 4½ ft	"	52·00	82·72	159·1
Drag Harrow, 3 sec	"	14·00	24·00	171·4
Smoothing Harrow, 2 sec	"	18·00	27·73	154·1
Disc Harrow, out-throw	"	28·00	54·00	194·4
Disc Harrow, in-throw	"	24·00	42·30	176·3
Wagon, 3½" 2½ x ½	"	76·00	161·00	211·8
Wagon, 3¼" 2 x ½	"	76·50	151·32	197·8
Bob sleigh	"	33·00	58·00	175·7
Index	.....	.....	.....	173·1

APPENDIX No. 3

DOMINION BUREAU OF STATISTICS—INTERNAL TRADE BRANCH

RETAIL PRICES

(Basis Regina, Saskatchewan)

Farm implements	Jan. 1913	Jan. 1922	Index No. *
Grain Binder 8′	169·00	277·00	163·9
Mower 4½″	57·50	93·50	162·6
Rake 10′	35·50	56·50	159·2
Drill 20 Double Disc	143·50	243·50	169·3
16 Disc Harrow 16″ 4 horse out-throw	45·50	73·50	161·5
Drag Harrow, 3 sec	15·75	20·75	131·7
Smoothing Harrow, 2 sec	19·00	32·60	171·6
Walking Plow 14″	22·00	30·50	138·6
Walking Plow 16″	23·00	36·00	156·5
Gang Plow 14″	89·50	158·75	177·4
Wagon 3¼—2½ x ½	100·00	183·00	183·0
Wagon 3½—2½ x ½	101·00	191·000	189·1
Bob Sleigh 2″ runner	38·00	61·00	160·5
Mower 5′ 20 sec	62·00	106·00	171·0
Index	.....	.....	164·0

* 1913=100.

DOMINION BUREAU OF STATISTICS—INTERNAL TRADE BRANCH

INDEX NUMBERS OF RETAIL PRICES OF FARM IMPLEMENTS

(Basis Regina Freight)

—	1913	1914	1916		1918	1921	1923
			Up to May 1	On and after May 1			
Walking Plow 16″ Gross	100·0	104·3	106·5	108·7	145·7	184·8	156·5
20 Double Disc Drill	100·0	100·0	104·8	104·8	155·8	206·1	170·7
Hay Rake 30–Th. 1ω′ 2-Horse	100·0	100·0	105·6	108·3	158·3	186·1	161·1
Binder, 8′ 4-horse with fore carriage and sheaf carrier	100·0	100·0	100·0	102·4	151·2	198·2	.....
Binder, 8′ 4-horse with fore carriage and sheaf carrier, with all improvements	.....	.....	.....	.....	.....	.....	169·4
Mower (Heavy type), 5′—20 section	100·0	100·0	100·0	103·2	146·8	198·4	171·0
3 section Diamond Drag Harrow, Spike Tooth	100·0	100·0	104·8	104·8	133·3	193·7	131·7
16 Disc Harrow (16″) 4-horse	100·0	100·0	102·3	104·5	168·2	204·5	172·7
14″ Gang Plow, 4-horse—with rolling coulters	100·0	103·4	107·3	109·0	168·5	223·6	186·5
3½″ Arm, 2½″ x ½″ Tire Wagon, complete with grain era, etc	100·0	100·0	101·0	103·0	145·5	232·7	189·1
Bob Sleigh, 2″ runner	100·0	100·0	102·6	102·6	123·7	192·1	160·5
Average	100·0	100·8	103·5	105·1	149·7	202·0	166·9

MEMORANDUM RE IMPLEMENT PRICES

In connection with statements of implement prices attached, firms from whom this information has been procured have made comments which they desire to submit as supplementary to the statements as to prices. These may be summarized as follows:—

(1) Notwithstanding that prices of material and labour had substantially increased between the 1st of May, 1914, and May, 1916, prices of implements were not increased during that period, but the farmer was given the benefit of low price machines which had been manufactured, and of raw materials on hand, which had been purchased at low prices until the same were exhausted. The result of this was, that while practically all other commodities increased substantially in price during the period mentioned, including farmers' produce, the price to the farmer of his implements was not increased for almost two years after the war. While an increase was made in May, 1916, this was very immaterial, and no substantial change was made until the beginning of the 1918 selling season.

(2) As manufacturers of implements, but not producers or manufacturers of raw or semi-raw materials, prices must inevitably be affected by the cost of materials which are utilized in the manufacture of goods produced. Manufacturers, have no control over these prices, but endeavour to buy in the cheapest possible market, and at the best advantage, and to that end maintain a highly organized purchasing department.

To illustrate the effect of material costs, the following statement gives the material costs of some of the principal materials which entered into implement manufacturing for the years 1914-1923.

Material Costs	1914	1916	1918	1921	1923
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Steel bars and angles.....x100 pounds (base)..	1 05	2 50	2 90	2 00	2 50
Malleable castings.....x100 pounds.....	4 25	5 90	9 00	11 50	8 00
Pig iron.....xGross ton.....	13 00	21 00	33 50	44 25	30 50
Cold drawn steel.....x100 pounds (base)..	1 50	1 60	4 15	3 15	3 00
Coal.....xNet ton.....	1 70	5 25	4 75	3 25	3 00
Coke.....xNet ton.....	4 45	6 25	9 90	12 50	14 00
Lumber.....xM ft.....	33 00	34 00	60 00	80 00	85 00
xPoint of shipment.....	.....	.....	.....	.....	.....
xPoint of shipment.					

It will be noticed that steel to-day is 138 per cent higher than it was in 1914; malleable castings 88 per cent; pig iron 135 per cent; cold drawn steel 100 per cent; coal 76 per cent; coke 215 per cent; and lumber 157 per cent. On the average material prices are approximately 140 per cent higher than they were in 1914, while the price of implements at, say Regina, on the average, has increased by 71.8 per cent.

(3) Manufacturers have to purchase a considerable portion of their materials in the United States. In 1914 exchange, as between the United States and Canada was at par, whereas in 1918 the premium on United States funds (in which we have to pay for our materials) had increased to approximately 2 per cent, in 1919 to $3\frac{1}{2}$ per cent, in 1920 to 14 per cent, in 1921 to $11\frac{1}{2}$ per cent, and in 1922, it stood at $1\frac{9}{16}$ per cent. This exchange also constituted an added cost.

(4) In 1914 there was no Government Sales Tax, whereas in 1920 a tax ranging from $1\frac{1}{4}$ per cent to 2 per cent, and in 1921 from $1\frac{1}{2}$ per cent to 4 per cent, and in 1922 from $2\frac{1}{4}$ to 6 per cent was placed on materials purchased and

assumed by manufacturers. Manufacturers also absorbed the sales tax on goods sold to the farmer. This means an added expense of from 2¼ to 4½ per cent at the present time.

(5) Labour costs to-day are 105 per cent greater than they were in 1914 and there has been no backward movement during the year, the tendency being for increased labour costs, or for demands for such.

(6) Another factor which assisted implement manufacturers in pre-war days to maintain implement prices at a reasonable level was the important export trade which always, up to that time, had proved quite profitable, and as a result of which manufacturers were able to reduce the average cost of machines to the Canadian farmer. Unfortunately, owing to conditions over which Canada has no control, this export business, has been badly shattered, and it will undoubtedly be some considerable time before the benefits which formerly accrued from it, will again be available.

(7) Another item which has been an important factor in increasing the manufacturing costs, and also the price to the farmer, is that of transportation charges. On the average, inward freight and cartage on materials has increased by 70 per cent, while the carload freight to Regina has increased by 49 per cent, and local outward freight and cartage to the customer's territory by about 60 per cent, between 1914 and the present time.

(8) The agricultural implement industry has, like the farmer, been passing through very difficult and critical times, of late years. For example, in the year 1921, and for the year just closed, losses have been so heavy that for the second year the most important implement manufacturing company in Canada has passed its dividends.

(9) It is believed that if machine prices could be substantially reduced such action would not only prove a great boon to the farmer but that it would be helpful to the manufacturers, and notwithstanding the adverse conditions referred to, every effort is being made by increased efficiency and by other means, to try to hasten that day.

EXHIBIT No. 87

Printed as Appendix to Report of Proceedings No. 26

A BILL to amend the Federal Farm Loan Act by establishing a farm credits department in each Federal land bank

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That when used in this Act, the term "Federal Farm Loan Act" means the Federal Farm Loan Act approved July 17, 1916, as amended.

SECTION 2. That section 1 of the Federal Farm Loan Act is amended to read as follows:—

"TITLE I

"SECTION 1. That this Act may be cited as the 'Federal Farm Loan Act.' Its administration shall be under the direction and control of the Federal Farm Loan Board, hereinafter created."

SECTION 3. That the Federal Farm Loan Act is amended by adding at the end thereof a new title to read as follows:—

"TITLE II

"SECTION 201. That in addition to the powers granted by Title I, each Federal land bank shall have power—

"(*a*) Subject solely to such restrictions, limitations, and conditions as may be imposed by the Federal Farm Loan Board (1) to discount for any national bank, State bank, trust company, incorporated live stock loan company, or savings institution, with its indorsement, any note or other such obligation the proceeds of which have been advanced or used in the first instance for an agricultural purpose or for the raising, breeding, fattening, or marketing of live stock, and (2) to make loans direct to any co-operative association organized under the laws of any state and composed of persons engaged in producing staple agricultural products, if the notes or other such obligations representing such loans are secured by warehouse receipts covering such products. Such loans or discounts must have a maturity at the time they are made or discontinued by the Federal land bank of not less than six months nor more than three years. Any Federal land bank may in its discretion sell loans or discounts made under this subdivision with or without its indorsement. Rates of interest or discount charged by the Federal land banks upon such loans and discounts shall be subject to the approval of the Federal Farm Loan Board.

"(*b*) Subject to the approval of the Federal Farm Loan Board, to issue and to sell debentures or other such obligations with a maturity at the time of issue of not more than three years, which shall be secured by a like face amount of cash, or notes or other such obligations discounted or representing loans made under subdivision (*a*). The provisions of Title I relating to the preparation and issue of farm-loan bonds shall, so far as applicable, govern the preparation and issue of debentures or other such obligations issued under this subdivision; but the Federal Farm Loan Board shall prescribe rules and regulations governing the receipt, custody, and release of collateral securing such debentures or other obligations. Such collateral shall be held separate and distinct from the collateral securing farm loan bonds. Rates of interest upon debentures and other such obligations issued under this subdivision shall, subject to the approval of the Federal Farm Loan Board, be fixed by the Federal land bank making the issue. A Federal land bank may, subject to the approval of the Federal Farm Loan Board, buy in the open market upon its own account and retire at or before maturity any such debentures or obligations issued by it.

"SECTION 202. For the purpose of exercising the powers conferred by this title, each Federal land bank shall establish a separate department to be designated as the farm credits department, for which $1,000,000 in capital shall be subscribed before any of the powers so conferred may be exercised. Capital stock of such amount shall be divided into shares of $5 each and shall be subscribed, held, and paid by the Government of the United States. It shall be the duty of the Secretary of the Treasury to subscribe to such capital stock on behalf of the United States, such subscription to be subject to call in whole or in part by the directors of the Federal land bank upon thirty days' notice to the Secretary of the Treasury and with the approval of the Federal Farm Loan Board. The Secretary of the Treasury is authorized and directed to take out shares as called and to pay for the same out of any money in the Treasury not otherwise appropriated. Capital so allocated to a farm credits department shall be applied solely to meet obligations and losses, if any, incurred in the operation

of that department, and the capital subscribed under Title I shall not be applied to meeting obligations or losses, if any, incurred in the operation of any farm credits department.

"SECTION. 203. The stock owned by the Government of the United States in any Federal land bank in accordance with section 202, shall receive no dividends. The Government of the United States shall be entitled to one vote for each share of such stock in deciding all questions at meetings of stockholders. Such stock shall be voted by the Farm Loan Commission as directed by the Federal Farm Loan Board.

"SECTION 204. That any Federal reserve bank may rediscount for a Federal land bank upon its indorsement, notes or other such obligations discounted or representing loans made under section 201, except that no Federal reserve bank shall rediscount for a Federal land bank any such note or obligation which has a maturity at the time of discount by the Federal reserve bank in excess of six months or which bears the indorsement of a non-member State bank or trust company which is eligible for membership in the Federal reserve system in accordance with section 9 of the Federal Reserve Act approved December 23, 1913, as amended. The rates of discount to be charged by any Federal reserve bank under this section, shall be fixed by the Federal reserve bank, subject to review and determination of the Federal Reserve Board.

"SECTION 205. The farm credits department of any Federal land bank issuing debentures or other such obligations under section 201, shall be primarily liable therefor, and shall also be liable upon presentation of the coupons for interest payments due upon any such debentures or obligations issued by the farm credits department of any other Federal land bank and remaining unpaid in consequence of the default of the farm credits department of such other Federal land banks. The Farm credits department of any Federal land bank shall likewise be liable for such portion of the principal of debentures or obligations so issued as are not paid after the assets of the farm credits department of such other Federal land bank have been liquidated and distributed. Such losses, if any, either of interests or of principal, shall be assessed by the Federal Farm Loan Board against solvent farm credits departments of Federal land banks liable therefor in proportion to the amount of debentures or other such obligations which each may have outstanding at the time of such assessment. Every Federal land bank shall, by appropriate action of its board of directors duly recorded in its minutes, obligate itself to become liable on debentures and other such obligations as provided in this section.

"SECTION 206. Any Federal reserve bank may buy and sell debentures and other such obligations issued by a Federal land bank but only to the same extent as, and subject to the same limitations as those upon which, they may buy and sell farm loan bonds.

"SECTION 207. The net earnings of the farm credits department shall be carried to reserve account to such extent and in such manner, and reserves so established shall be invested as the Federal Farm Loan Board shall by regulation prescribe.

"SECTION 208. In order to enable each Federal land bank to carry out the purposes of this Act, the Comptroller of the Currency is hereby authorized and directed, upon the request of any Federal land bank, (*a*) to furnish for the confidential use of such bank such reports, records, and other information as he may have available relating to financial condition of national banks through or for which the Federal land bank has made or comtemplates making discounts, and (*b*) to make, through his examiners, for the confidential use of the Federal land

bank, examinations of State banks, trust companies, incorporated live-stock loan companies, or savings institutions, through or for which the Federal land bank has made or contemplates making discounts or loans: *Provided,* That no such examinations shall be made without the consent of such State bank, trust company, incorporated live-stock loan company, or savings institution. Land bank appraisers are authorized, upon the request of any Federal land bank and with the approval of the Federal Farm Loan Board, to investigate and make a written report upon the products covered by warehouse receipts which are security for notes or other obligations representing any loan to any co-operative association under subdivision (a) of section 201. Land bank examiners are authorized, upon the request of any Federal land bank and with the approval of the Federal Farm Loan Board, to examine and make a written report upon the condition of any co-operative association to which the Federal land bank contemplates making any such loan.

"SECTION 209. The Federal Farm Loan Board is authorized to make such rules and regulations, not inconsistent with law, as it deems necessary for the efficient execution of the provisions of this title."

SECTION 4. That the first two lines of section 12 of the Federal Farm Loan Act is amended to read as follows:

"SECTION 12. That no Federal land bank organized under this Act shall make loans, other than those authorized by Title II, except upon the following terms and conditions."

"SECTION 5. That section 23 of the Federal Farm Loan Act is amended by adding at the end thereof a new paragraph to read as follows:

"The provisions of this section shall not apply to the earnings, reserves, and capital stock of the farm credits department of any Federal land bank."

"SECTION 6. That section 5202 of the Revised Statutes, as amended, is amended by adding at the end thereof a new paragraph to read as follows:

"Eighth. Liabilities incurred under the provisions of subdivision (*a*) of section 201 of the Federal Farm Loan Act approved July 17, 1916, as amended."

APPENDIX No. 3

EXHIBIT No. 90

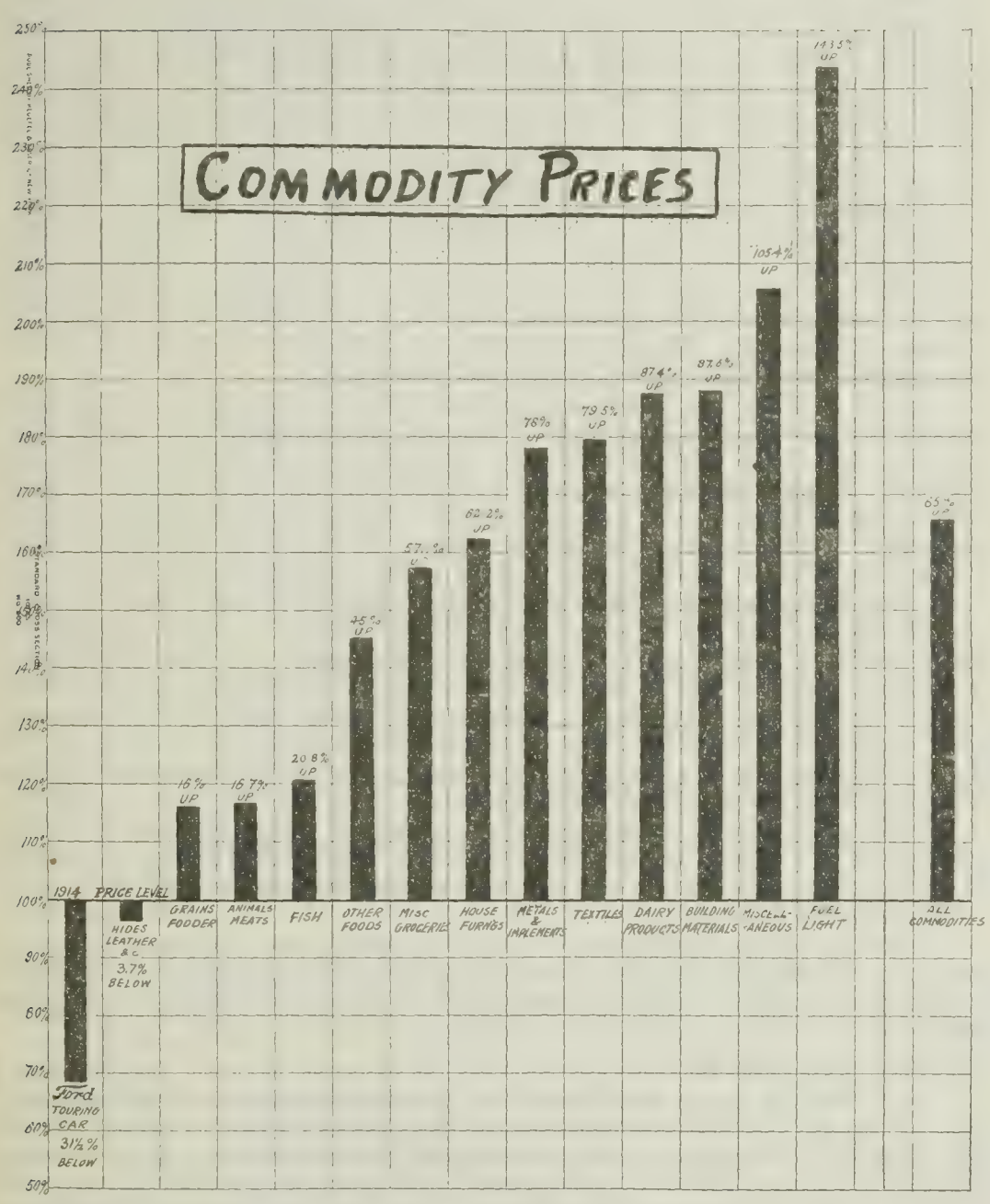


EXHIBIT No. 95

INADEQUACY OF THE PRESENT CREDIT FACILITIES

(Ontario Department of Agriculture, page 13, Report of Committee on Rural Credits 1920)

"The statement is frequently made that the farmer does not want to go into debt; that it should be his chief concern to get out and keep out of debt. We are asked the question, then, why do we want to facilitate the farmer's going into debt? If the same question were asked regarding a business man it would be too foolish to call for an answer, but it is equally foolish when asked regarding a farmer. But, to answer it for the farmer, we assert that the man who is capable of producting something of value to mankind, but who has not the necessary capital, is not only allowing an asset of his own to go to waste, but is depriving society of a legitimate addition to its wealth in not borrowing that capital. And if business is so organized that he cannot obtain such capital, or can obtain it only on terms which he could not accept, a serious injustice is done to him, to accumulated capital, and to society itself. A debt contracted for a productive purpose, by one able to accomplish that purpose, is one of the best of investments, for it enables the debtor to translate his character and ability into wealth and capital.

"It is said, by those who declare that there is no need for a rural credits system in Ontario, that substantial farmers can always obtain credit. It is perfectly true that there are farmers who can borrow money at fair rates. But how many are in a position to secure borrowing privileges from the existing institutions to the necessary extent of their requirements? Even the substantial farmers can or do seldom use their credit to the degree that it ought to be used, for employment in their work of production, in the same way or to the same measure as manufacturers or merchants use theirs. Intensive use of the land, so as to secure the greatest returns from it, demands the employment of much larger amounts of capital than are now available. It is because capital or credit has not been extended to farmers upon such terms as are favourable to the special conditions of agriculture, that farmers, as a class, have not yet learned what very profitable use might be made of it in the employment of working capital, putting value into the farm and gathering it back with increase within a few months.

"We are justified in saying that we would be performing a valuable service to the country, to the urban population, and to the farmer in providing him with a system of credit, at the lowest practicable cost, adapted particularly to his conditions.

"But in what respects is the existing credit mechanism defective and inadequate from the point of view of agriculture? We shall endeavour to answer this question from the standpoint of both short-term and long-term necessities.

(a) Short-term defects.

"In the first place, our banks are operating under the Bank Act which was not framed with the welfare of the agricultural classes in mind. We are not unmindful or unappreciative of the great benefits which have been secured through the operation of the Canadian banking system, which is one of the finest in the world, but we realize that the Bank Act, enacted when Canada was a young country and much smaller than it is to-day and when its agriculture was primitive, was designed to serve the commercial interests. This is not true of Canada alone; but in all countries the commercial banks as their name indicates, have been intended especially to serve the needs of the commercial classes. One has only to read the sections of th Bank Act dealing

with: "Business and Powers of a Bank" to understand how closely these institutions are related to the activities of the trading and industrial classes. This fact, of course, has been acknowledged over and over again by our bankers. The bank's funds must be preserved in liquid form. Even in the recent amendments to the Bank Act, while two or three concessions are granted to the agricultural interests, it is distinctly stated that the banks are not to lend money under circumstances in which it will be tied up. This is simply putting into legislation and into practice what prudence has shown to be necessary in safeguarding the commercial welfare. The Act, as in force to-day, does not provide for loans to farmers except upon the security of threshed grain grown upon the farm or for the purchase of seed grain (the return from which is pledged as security), or for buying live stock, taking as security a bill of sale or a chattel mortgage on the stock and all their offspring. How small a proportion these are of the farmer's operations will be readily apparent. While we admire the underlying principle of the Bank Act and recognize that it has worked out in a very successful way so far as the business classes are concerned, it was never conceived for the purpose of serving farmers and in its outworking it is deficient in making so little provision for the agricultural interests.

"In the second place, the longest period allowed for a commercial loan is entirely too short for the farmer. The business man can use a three-months' loan satisfactorily because he usually turns over his goods or his capital five or six times a year and frequently much oftener than this. He is, therefore, sure of a turnover at least every three months and knows that from the returns from the sale of his goods he will be able to repay the loan. But a three-months' loan is of little, if any, value to a farmer. His money returns to him, generally speaking, once a year. As a general rule, he has but one turnover per year. The shortest period for which the farmer can ordinarily borrow is six months, that is, within that time he will be able to secure the returns from his investment and pay back the amount borrowed. More frequently, however, he needs the loan for eight months or a year in order to be able to repay the loan out of the return from it. The banks are required, by their organization, to keep their funds liquid and, therefore, even a six-months' loan is usually out of the question for them. It is inevitable under these conditions, that the 60-day to 90-day paper of the merchant should get the preference over even the six-months' paper of the farmer. It is clear, from what we have said, that the major part of the farmer's credit does not come within the scope of our banking system as now organized. If the farmer takes a loan from the bank for three months with the expectation and sometimes the banker's promise (verbally given) of being able to have it renewed at the end of that time for another three months, by the time of the maturity of the loan the commercial conditions may have changed, so that the renewal may not be granted. In that case the farmer has not had the loan long enough to make it pay for itself and he must meet the amount of the note in whatever other way he can. In addition to the limitation imposed upon the bank by the legislation and the system under which it conducts its business, the short-time loans for one to three months are more profitable and this places a further barrier to the bank's tying it up its funds for periods of more than three months.

"It is natural that the bank should do business with the merchant, the manufacturer, the broker, the middleman, because they may complete the processes for which they require credit within the customary period of the loan. But contrast the farmer's situation. He must wait upon the seasons; his financial returns come only when the seasons have run their course, and if the season should be extraordinary or unusual, causing a partial or total failure

of his crops, he must have a longer time to meet his obligations. If he wants to buy horses, cattle, or other stock for breeding purposes, he cannot sell such stock and make any profits in even six months; at least a year and often longer is required. What he needs is time enough to raise colts, calves and pigs to sell from the breeding stock he has purchased, or to keep the better stock and sell the older and poorer grades in order to meet his liability on the loan. Almost all the farmers' possesses run from eight months to two, three and four years, and he is not in a position to repay capital advanced for such possesses until these periods expire and his returns arrive. In this connection we may ask, what better security should be required for such a loan given to an enterprising and honest farmer than a lien upon a herd of breeding cattle and their increase? In the words of a very prominent banker of the United States, whose enlightened business and diplomatic career entitles him to speak with authority, 'Agriculture, considered year after year and over extended areas, is the surest of all operations in regard to returns.'

In considering this problem of farm finance we shall have to recognize the fact that the whole economic organization of the farmer's world is markedly different from that of the commercial man's world and consequently, demands different treatment. Whoever contends that by means of a few slight changes the system of commercial banking may be so adapted as to suit the requirements of the agricultural classes, ignores the radical fundamental difference between agriculture and commercial business, which produces the deep-rooted difficulty which we have to solve.

"The security which the farmer has to offer is commonly understood to be good. It is, perhaps, not quite so good here as it is in England or Europe because there is more movement of the farming population and greater difficulty in following up a migrant who may wish to conceal himself. But even so, the security may be taken to be inherently good. Unfortunately, however, it is not bankable in the banker's sense. Its precise value cannot be ascertained readily. (It must be remembered that we are speaking now of short-term loans and not of mortgage loans.) The security cannot be easily watched and controlled. There is no system of agencies such as Dun's or Bradstreet's for commercial concerns, to keep constant observation of the farmers and give information as to changes in their financial standing to the banks. The banker does not know the farmer, and if the latter is to be able to raise money for his purposes his security will have to be put into a different form in order to become bankable. How this is to be done, we shall have to consider in a later section, after we have outlined some of the important systems in other countries.

(b) Long-term credit defects.

"The advantages which have been secured in earlier years by the activities of the mortgage and investment companies have been already mentioned, and while their business in Ontario has dwindled to almost negligible proportions, there has been impressed upon the remaining business which they secure certain features which are by no means favourable. We speak particularly of the short duration of their mortage loans, which are made for periods not to exceed five years. In the words of the manager of one of the most prominent of these companies they 'reserve the right at the end of the five-year period to review their investment.' It seems that in the 80's and 90's of the last century mortgage were usually drawn for fifteen to twenty years, repayable on an amortization plan or at the end of the term. But as interest rates fell the outcry against these long-dated obligations became so loud that the Dominion Parliament empowered any borrower, after five years to pay off his mortgage with a bonus of three months' interest. As a result, the practice of the companies changed,

by limiting the usual mortgage to a term of five years, where it has since remained. At the maturity of the mortgage, the company may reconsider the loan. If the security is not satisfactory because of any change in the value of the property or in the material condition of the borrower, the loan may be called in. If the rate of interest on similar investments has risen, the company may either call in the loan or renew it at the higher rate. All these elements of uncertainty are not favourable to the farmer. He wants to know, when placing a mortgage on his property for any productive purpose, that he will have the loan for a long enough time to make it productive. If it should be called in before that, the object of the loan has not been served, and he would have to get money from some other source with which to meet the demand for repayment. Agriculture is a business in which the long look ahead must be taken; its returns cannot be increased in short periods at the will of the farmer, for he is very dependent upon the vagaries of nature. Consequently, if a farmer is in a position to avoid these five-year loans he will invariably do so. Probably this is one of the reasons why company loans on farm mortgages have so greatly declined in amount and the farm mortgage business has got into private hands.

"The change which we have noted from company to private lending on these mortgages shows virtually a silent, gradual revolution which has been taking place. There must have been good reasons for this change and among them there, doubtless, were at least three which we may indicate:

(1) The fact that private individuals were willing to loan for more than five years on property in their vicinity, with the owner of which they were perfectly familiar.

(2) The lower rate of interest which they were willing to take and which still prevails for many of these loans.

(3) The fact that the land was sold by one farmer to another, and as the buyer did not have the full amount of cash with which to pay for the property, the seller would take a mortgage for the unpaid balance.

"But while there are these advantages from the existing system of private loaning, there are also some defects. In occasional instances the individual lender will use his dominant position to oppress the borrower and to take advantage of him to such an extent as to extort more than his just due."

EXHIBIT 96

CREDIT AGRICOLE MUTUEL DE FRANCE

(Extraits de la loi de 1920)

Titre premier

CAISSES DE CREDIT AGRICOLE MUTUEL

Chapitre premier

Constitution—Publicité

Article premier.—Les caisses de crédit agricole peuvent être constituées par tout ou partie des membres d'une ou de plusieurs des associations suivantes et par ces associations elles-mêmes; syndicats professionnels agricoles, sociétés d'asurances mutuelles agricoles régies par la loi du 4 juillet 1900, sociétés coopératives agricoles, associations syndicales et sociétés diverses d'intérêt agricole énumérées à l'article 2 ci-après.

Article 3.—Le capital des caisses de crédit agricole mutuel ne peut être formé par des souscriptions d'actions.

Il doit l'être par les sociétaires au moyen de parts. Ces parts sont nominatives et ne sont transmissibles que par voie de cession avec l'agrément de la caisse.

Article 4.—Les caisses de crédit agricole mutuel ne peuvent être constituées qu'après versement du quart du capital social.

"Chaque année, dans la première quinzaine de février, un administrateur ou le directeur de la caisse dépose en double exemplaire, au greffe de la justice de paix du canton, avec la liste des membres faisant partie de la caisse à cette date, le tableau sommaire des recettes et des dépenses, ainsi que des opérations effectuées dans l'année précédente.

"Un des exemplaires est transmis par les soins du juge de paix au greffe du tribunal de commerce.

"Les documents déposés au greffe de la justice de paix et du tribunal de commerce sont communiqués à tout requérant."

Chapitre deuxième

Section I.—Des caisses locales

Article 6.—Les caisses locales de crédit agricole mutuel peuvent consentir:

1. A tous leurs sociétaires, des prêts d'argent à court terme, dont la durée totale ne doit pas excéder celle de l'opération en vue de laquelle ces prêts sont consentis.

2. A tous leurs sociétaires, des prêts d'argent à moyen terme pour l'aménagement ou la reconstruction de leurs propriétés.

Ces prêts sont remboursables en dix années par amortissements annuels et sont entourés de garanties particulières telles que cautions warrants, hypothèques ou dépôts de titres, etc.

3. A leurs sociétaires individuels des prêts d'argent à long terme dont les conditions sont indiqués ci-après à l'article 8.

Article 7.—Pour la réalisation des prêts à court terme, les caisses locales escomptent les effets souscrits par leurs seuls sociétaires en vue d'opérations exclusivement agricole. Elles peuvent se charger des paiements et recouvrements à faire dans l'intérêt de ces mêmes sociétaires.

Pour la réalisation des prêts à moyen terme les caisses locales font signer à leurs sociétaires des engagements spéciaux qui fixent les conditions du prêt, les garanties fournies et les conditions du remboursement.

Article 8.—Pour la réalisation des prêts individuels à long terme les caisses locales exigent comme garantie une inscription hypothécaire ou un contrat d'assurance en cas de décès.

Ces prêts sont de 40,000 fr. au plus, non compris le contant des frais. La durée de leur remboursement peut atteindre vingt-cinq ans, sant toutefois que l'âge de l'emprunteur, (à la date du dernier amortissement, puisse dépasser soixante ans.

Ils portent intérêts au taux de 2 pour 100 et sont destinés à faciliter l'acquisition, l'aménagement, la transformation et la reconstitution de petites exploitations rurales.

Section II.—Des caisses régionales

Article 11.—Les caisses régionales ont pour but:

1. De faciliter les opérations à court terme, à moyen terme et à long terme effectuées par les membres des caisses locales de crédit agricole mutuel de leur circonscription et garanties par ces sociétés.

2. De transmettre aux sociétés coopératives agricoles, aux associations syndicales ou à tous autres groupements les avances spéciales qui peuvent leur être consenties par l'Etat.

Article 12.—Les caisses régionales ne peuvent accepter l'affiliation que de caisse locales dont le siège est situé dans leur circonscription et qui ne sont pas d'autre part, rattachées à une autre caisse régionale.

Elles réescomptent, après endossement par les caisses locales qui leur sont affiliées les effets par les sociétaires de ces caisses.

Elles peuvent se charger de tout payement et recouvrement à faire dans l'intérêt des dites caisses locales.

Elles peuvent faire aux caisses locales qui leur sont affiliées les avances nécessaires à la constitution d'un fonds de roulement. Toutefois, pour celles qui ont fait appel au concours financier de l'Etat ces avances ne pourront dépasser, pour chaque caisse locale, le montant du capital versé à la caisse régionale sous forme de souscription de parts.

Elles peuvent émettre des bons de caisse à échéance variable avec ou sans intérêt, mais ces bons ne sont créés qu'en faveur des agriculteurs domiciliés dans la circonscription de la caisse régionale.

Article 13.—Tous les ans, dans la première quinzaine de février, les caisses régionales reversent à l'office national du crédit agricole les amortissements qu'elles ont encaissés dans le cours de l'année précédente et auxquels sont astreints les bénéficiaires des prêts à long terme, les sociétés coopératives, les associations syndicales et les autres associations ayant reçu des avances de l'Etat.

Section III.—Opérations communes aux caisses locales et aux caisses régionales

Article 14.—Les caisses de crédit agricole mutuel peuvent contracter les emprunts nécessaires pour constituer ou augmenter leurs fonds de roulement.

Pour les caisses de crédit ayant fait appel au concours financier de l'Etat, ces emprunts doivent être préalablement soumis à l'autorisation du ministre de l'Agriculture.

Elles peuvent se procurer des capitaux en réescomptant leur portefeuille d'effets ou en empruntant sur titres.

Elles peuvent recevoir, de toute personne, des dépôts en compte courant, avec ou sans intérêt et tout dépôt de titres.

Les opérations autres que celles qui sont autorisées par la présente loi leur sont interdites.

Article 15.—Les caisses de crédit agricole ont, pour toutes les obligations de leurs sociétaires vis-à-vis d'elles un privilège sur les parts formant le capital social.

Chapitre troisième

Fonctionnement

Les statuts déterminent le taux de l'intérêt des parts, qui ne peut dépasser 6 pour 100 ni excéder pour les caisses locales le taux des prêts consentis à leurs sociétaires.

TITRE TROISIÈME

Avances de l'Etat

Article 26.—L'avance de 40 millions de francs et la redevance annuelle à verser au Trésor par la Banque de France sont à la disposition du Gouvernement, pour être remises à titre d'avances aux caisses régionales.

Un décret, pris sur la proposition du ministre de l'Agriculture et du ministre des Finances, fixe la proportion dans laquelle ces sommes sont affectées à des avances pour prêts à court terme et à moyens terme, à des avances pour prêts individuels à long terme ou à des avances pour prêts à des sociétés coopératives et à des associations syndicales ou à des associations d'intérêt collectif agricole.

Article 27.—La répartition des avances accordées en vertu de la présente loi est faite par l'office national du crédit agricole.

Article 28.—Les avances pour prêts à court terme et à moyen terme sont consenties en comptes courants ouverts à l'office nationale du crédit agricole.

Les avances que les caisses régionales peuvent recevoir pour l'attribution de prêts individuels à long terme sont fixés suivant le nombre et l'importance des demandes dont seront saisies les caisses régionales.

Les sociétés coopératives agricoles, les associations syndicales libres, les sociétés d'intérêt collectif agricole peuvent recevoir des avances égales à six fois leur capital versé en argent ou en nature, lorsque les statuts comportent une clause de responsabilité conjointe et solidaire de tous les sociétaires ou bien lorsque tout ou partie des membres du conseil d'administration ont souscrit un engagement solidaire de remboursement jugé, sous sa responsabilité, suffisant par la caisse régionale intermédiaire.

Les avances aux associations syndicales autorisées seront proportionnées à l'importance des travaux qu'elle auront à exécuter.

TITRE CINQUIÈME

De l'office national et de la commission plénière du crédit agricole

Article 35.—Il est créé un office national du crédit agricole.

Cet office est un établissement public possédant l'autonomie financière.

D'une façon générale il assure l'application de la présente loi.

Il a notamment pour objet:

1. La gestion de la dotation du crédit agricole.

2. La gestion des dépôts de fonds reçus par les caisses régionales de crédit agricole mutuel, et qui lui sont confié par elles.

3. L'émission de bons par l'intermédiaire des caisses régionales de crédit agricole mutuel.

4. La gestion des crédits votés, en application de la loi du 4 mai 1918, relative à la mise en culture des terres abandonnées.

Article 36.—L'Office est administré par un conseil d'administration sous le contrôle d'une commission plénière composée de trente membres.

La commission plénière est présidée par le ministre de l'Agriculture. Elle est composée pour un cinquième des représentants du Sénat et de la Chambre des députés, pour deux cinquièmes de délégués élus par les caisses régionales de crédit agricole mutuel et pour deux cinquièmes de membres nommés par décret sur la proposition du ministre de l'Agriculture et du ministre des Finances et choisis par les hautes personnalités prises dans l'administration.

Les membres du conseil sont nommés par la commission plénière. Ils sont au nombre de sept.

APPENDIX No. 3

La direction de l'office est confiée à un directeur général nommé par décret sur la proposition du ministre de l'Agriculture. Ce fonctionnaire remplit les fonctions d'administrateur de l'office et ne peut être révoqué que sur la proposition de la commission plènière et du conseil d'administration.

Un agent comptable soumis à l'inspection des finances et justiciable de la cour des comptes est également nommé par décret sur la proposition du ministre de l'Agriculture et du ministre des Finances.

EXHIBIT No. 97

FRAIS D'ADMINISTRATION DU CRÉDIT AGRICOLE "MUTUEL DE FRANCE

Par M. Emmanuel Brousse, "Economiste Français" du 16 mai 1914

(Pages 719 à 721.)

"En dix ans par exemple, les *frais généraux* d'exploitation des Caisses régionales ont dépassé le quart des bénéfices nets réalisés (1,234,805 francs pour 6 millions de réserves) et cela malgré la gratuité théorique de gestion des Caisses locales et régionales. Les rapports annuels parus dans l'ouvrage "Dix ans de crédit agricole" qu'a publiés en 1911 le ministre de l'Agriculture, montrent qu'en cet intervalle les Caisses régionales ont absorbé une somme de 2,180,000 francs à titre de frais généraux et de gestion.

"D'autre part, la situation des crédits au 31 décembre 1913 porte l'indication: Frais d'administration, 1,234,805 francs, cette dernière somme représentant sans doute le montant global des traitements ou indemnités de toute nature accordés au personnel central depuis 1899. Le total de ces deux rubriques dépasse donc 3 millions. Si l'on tient compte des frais généraux des Caisses locales et des Coopératives, l'année moyenne a coûté au crédit plus de 250,000 francs."

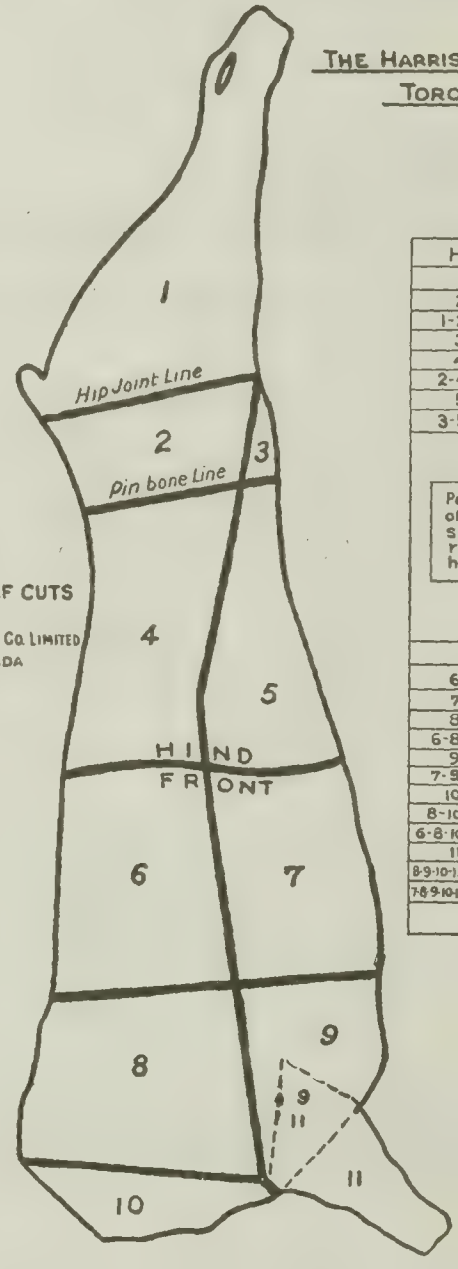
"A raison de 6 millions par an d'avances, le crédit agricole absorbe 4.2 pour 100 de ses revenus pour les seuls frais de gestion de capitaux qui ne lui coûtent rien. Si l'on compare cette gestion onéreuse à celle qu'emploient les Sociétés de crédits, ou la Banque de France elle-même, pour les capitaux qui leur sont confiés par des particuliers, on voit qu'au lieu de perdre environ $4\frac{1}{2}$ pour 100 des sommes qui lui sont prêtées, le crédit agricole pourrait donner $\frac{1}{2}$ pour 100 à l'Etat pour avances faites, et éviter par suite une perte annuelle de plus de 250,000 francs pour l'agriculture.

Ne serait-il pas possible de réduire un peu ces frais de gestion? Le faible rendement moyen du capital considérable mis, sans intérêt à la disposition du crédit agricole ne vient-il pas d'un vice d'organisation ou d'un gestion défectueuse de ces fonds de concours?"

EXHIBIT No. 98

THE HARRIS ABATTOIR COMPANY LIMITED
TORONTO CANADA

CHART
SHOWING
STANDARD BEEF CUTS
AS CUT BY
THE HARRIS ABATTOIR CO. LIMITED
TORONTO, CANADA



HINDQUARTER CUTS		
1	Short Hip	25·0%
2	Steak Piece	9·5
1-2	Long Hip	34·5
3	Flank end or cod	1·0
4	Short Loin	10·0
2-4	Long Loin	19·5
5	Short Flank	4·5
3-5	Full Flank	5·5

Percentages are of weight of 300 LB. side good quality steer cutting a 7 Boned rib and 2 Ribs on the hind.

FRONTQUARTER CUTS		
6	Rib	9·5%
7	Plate	8·5
8	Windsor Chuck	16·0
6-8	Windsor Rack	25·5
9	Brisket Point	3·5
7-9	Full Brisket	12·0
10	Neck	9·0
8-10	Square Cut Chuck	25·0
6-8-10	Full Rack	34·5
11	Front Shank	3·5
8-9-10-11	Cross Cut Chuck	32·0
7-8-9-10-11	Triangle	40·5

APPENDIX No. 3

EXHIBIT No. 99.

VALUES OF STANDARD BEEF CUTS

At the present time good fresh steers are selling at approximately 13 cents per pound. The various cuts from this quality are selling at the prices shown below.

You will notice that the prices worked out on the percentages shown on the blueprint realize a little over 13 cents per pound on the carcass. This is necessary to cover cost of labour in cutting:

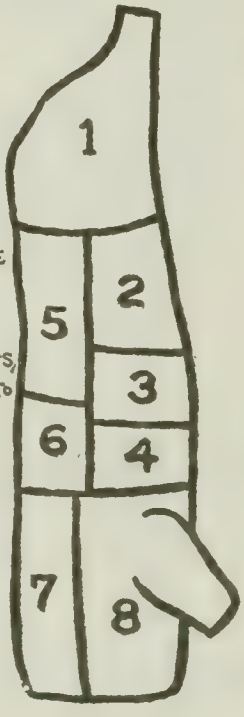
ONE SIDE GOOD STEER (600-POUND CARCASS)

Short Hip	25·0%	—13 cents	—3·250
Long Loin	19·5%	—24 cents	—4·680
Full Flank	5·5%	— 4 cents	— ·220
Hind	50·0%		8·150
			Hind value 16·30
Rib	9·5%	—20 cents	—1·900
Plate	8·5%	— 6 cents	— ·510
Shank	3·5%	— 4 cents	— ·140
Brisket Point	3·5%	— 6 cents	— ·210
Chuck	25·0%	— 9½ cents	—2·375
Front	50·0%		5·135
			Front value 10·27
Carcass	100·0%		13·285
			Carcass value 13·29

EXHIBIT No. 100

THE HARRIS ABATTOIR CO. LIMITED.

CHART
SHOWING
H.A WILTSHIRE SIDE
AND
STANDARD CUTS
AS MADE BY
ENGLISH
BACON MERCHANTS,
THE HARRIS ABATTOIR Co
LIMITED



1	GAMMON	27.4%
2	FLANK	7.8
3	BELLY	9.8
4	THICK STREAK	5.9
5	LOIN	15.7
6	BACK	9.8
7	COLLAR	7.9
8	FORE-END	15.7

Wt. LIVE HOG 200 lbs.
" DRESSED HOG 144 "
" WHOLE SIDE 72 "
" TRIMMED WILTSHIRE 56 lbs.

APPENDIX No. 3

EXHIBIT No. 101.

TEST SHOWING VALUE OF LIVE HOGS ON BASIS TO-DAY'S ENGLISH WILTSHIRE MARKET OF 102/

102/=$21.67 per 100 pounds landed England.

	Pounds
Live Hog	200
Dressed Hog	144
Dressed Side	72
Wiltshire Side	56

Wiltshire Side 56 pounds at $21.67—$12.14.

COST OF PACKAGES, MATERIAL, SHIPPING AND LANDING CHARGES

	Per 100 lbs.	Per side (56 lbs.)
Packages, material and labour	$1.65	$ .92
Freight Toronto to Seaboard	.45	.25
Ocean and landing	1.73	.97
		$2.14
Net return, 56-pound Wiltshire		$10.00

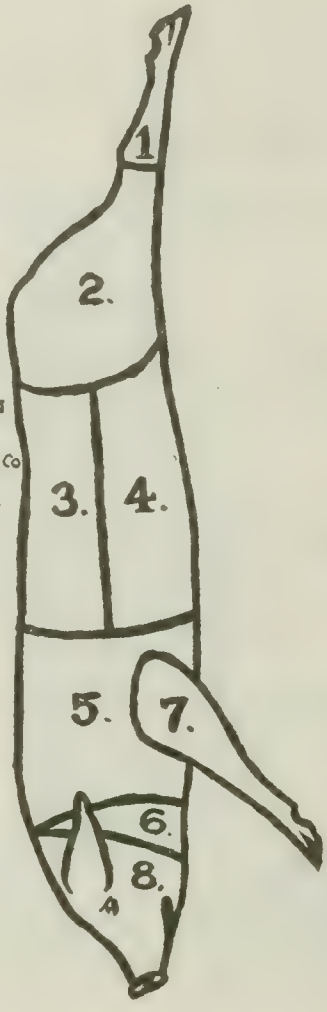
CUTTING CREDITS—FATS AND TRIMMINGS

4·9 pounds Fat at $7.80	.38
11·1 pounds Head and Bones at 3 cents	.33
	$ .71
72 pounds Dressed Side net value	$10.71
Value Dressed Hog per 100 pounds	$14.88
Value Live Hog per 100 pounds, fed and watered basis (72 per cent dressed value)	10.71

EXHIBIT No. 102

THE HARRIS ABATTOIR CO. LIMITED.

CHART
SHOWING
STANDARD CANADIAN
PORK CUTS
AS CUT BY
THE HARRIS ABATTOIR Co
LIMITED
TORONTO, CANADA



1	FOOT	1·5%
2	HAM	20.0
3	LOIN	17.0
4	BELLY	15.0
5	SHOULDER	20.0
6	JOWL	2.0
7	LACONE	2·8
8	HEAD	8.0
	Trimmings Bone Fats	13·8

Wt. LIVE HOG 200 lbs
" DRESSED HOG 144 "
" SIDE IN CHART 72 "

APPENDIX No. 3

EXHIBIT No. 103

TEST SHOWING VALUE OF LIVE HOGS ON BASIS TO-DAY'S MARKET ON CANADIAN CUTS FRESH PORK

	Pounds
Live Hog	200
Dressed Hog	144
Dressed Side	72

CANADIAN CUTS

Loins ..17%—12·25 lbs. at 23c.	—$ 2.82
Shoulders ..20%—14·40 lbs. at 14c.	— 2.02
Bellies ..15%—10·80 lbs. at 20c.	— 2.16
Hams ..20%—14·40 lbs. at 21½c.	— 3.09
Operating Cost	$10.09
1·50 per 100 pounds	.77
	$ 9.32

CUTTING CREDITS

9·95 pounds Fats at $7.80	$ .77
10·20 pounds Bones and Heads at $3	.31
	$ 1.08
72 pounds Dressed Side net value	$10.40
Value Dressed Hog per 100 pounds	$14.44
Value Live Hog per 100 pounds, fed and watered basis (72 per cent dressed value)	10.40

EXHIBIT No. 104

TEST SHOWING VALUE OF LIVE HOGS ON BASIS TO-DAY'S MARKET ON CANADIAN CUTS SMOKED MEATS

	Pounds
Live Hog	200
Dressed Hog	144
Dressed Side	72

Smoked Boneless Backs ..10% — 7·20 lbs. at 35½	—$2.55
Smoked Boneless Rolls ..16% —11·52 lbs. at 18	— 2.07
Smoked Breakfast Bacon ..13·5%— 9·72 lbs. at 26	— 2.53
Smoked Hams ..18·8%—13·53 lbs. at 26	— 3.51
	$10.66

Operating Costs—		
Fresh Pork Dept., 50c. per 100 lbs.	$ .21	
Curing Pork Dept., 1·22c. per 100 lbs.	.57	
Smoking and packing, 2·20c. per 100 lbs.	.86	
	$1.64	$9.02

Cutting Credits—					
Fats	25%	—18·00 lbs. at	$7.80—	$1.40	
Bones, Heads and Feet	16·7%—	12·02 lbs. at	3.00—	.36	1.75
	100%	72 lbs.			$10.77

Value Dressed Hog per 100 pounds	$14.96
Value Live Hog per 100 lbs., fed and watered basis (72 per cent dressed value)	10.77

EXHIBIT No. 105

TEST SHOWING VALUE OF BONELESS SMOKED BACKS ON BASIS OF FRESH LOINS AT 23 CENTS

100 per cent Fresh Loins		$23.00
Labour converting		.25
Total cost		$23.25
5·56 per cent Tenderloins at 41 cents	$2.28	
6·61 per cent Spare Ribs at 11 cents	.73	
14·26 per cent Bones at 1 cent	.14	
3·02 per cent Fat at 7·80 cents	.24	3.39
71·55 per cent Fresh Boneless Backs		$19.86
100 per cent Fresh Boneless Backs		27.75
Cost curing and material	$1.22	
Cost smoking and material	2.20	3.42
Cost Smoked Boneless Backs without shrink		$31.17
10 per cent Net shrink in smoke house		3.11
Net cost Smoked Boneless Back		$34.28

TEST SHOWING VALUE OF SMOKED HAMS ON BASIS OF FRESH HAMS AT 21½ CENTS

100 per cent Fresh Hams		$21.50
Cost curing and materials	$1.22	
Cost smoking, materials and packages	2.20	3,42
Cost Smoked Ham without shrink		$24.92
6 per cent Net shrink in smoke house		1.50
Net cost Smoked Ham		$26.42

EXHIBIT No. 106

TEST SHOWING VALUE OF SMOKED BREAKFAST BACON ON BASIS OF FRESH BELLIES AT 20 CENTS

100 per cent Fresh Bellies		$20.00
Cost curing and material	$1.22	
Cost smoking, material and packages	2.20	3.42
Cost Smoked Bacon without shrink		$23.42
10 per cent net shrink in smoke house		2.34
Net cost smoked bacon		$25.76

TEST SHOWING VALUE OF SMOKED BONELESS ROLLS ON BASIS OF FRESH SHOULDERS AT 14 CENTS

100 per cent Fresh N.Y. Shoulders		$14.00
Labour converting		.25
Total cost		$14.25
11 per cent Lacones at 7 cents	$ .77	
1·5 per cent Blade Bones at 1 cent	.01½	
3·4 per cent Fat at $7.80	.26½	1.05
84·1 per cent Fresh Boneless Shoulder		$13.20
100 per cent Fresh Boneless Shoulder		15.70
Cost curing	$1.22	
Cost smoking	2.20	3.42
Cost Smoked Boneless Shoulder without shrink		$19.12
6 per cent net shrink in smoke house		1.22
Net cost Smoked Boneless Shoulder		$20.34

EXHIBIT No. 107

EXPORTS FROM CANADA TO THE UNITED STATES OF PRINCIPAL COMMODITIES SUCH AS ARE PRODUCED ON CANADIAN FARMS, OR MANUFACTURED DIRECTLY FROM SUCH FARM PRODUCTS, DURING THE MONTH AND SIX MONTHS ENDED MARCH, 1920 to 1923; WITH UNITED STATES TARIFF RATES IN FORCE.

(COMPILED BY THE EXTERNAL TRADE BRANCH, DOMINION BUREAU OF STATISTICS)

Commodities	Month of March				Six Months ended March				United States Tariff Rates in force		
	1920	1921	1922	1923	1920	1921	1922	1923	Prior to May 27, 1921	From May 27, 1921 to Sept. 21, 1922	Subsequent to Sept. 21, 1922
Animals (except for Improvement of Stock)–											
Cattle..... No.	9,929	13,214	1,983	8,094	309,617	182,735	107,946	112,711	.....	.....	.....
$	561,717	734,007	41,454	252,081	27,417,109	13,567,637	2,002,837	3,173,006	Free	30 p.c.	(*a*)
Horses..... No.	283	237	195	182	1,440	1,325	1,205	822	.....	.....	.....
$	41,744	36,460	87,867	23,859	241,270	309,129	286,364	116,889	10 p.c.	10 p.c.	(*b*)
Poultry..... No.	10,620	11,887	10,865	9,247	492,083	555,762	558,868	408,917	.....	.....	.....
$	12,358	14,838	11,228	7,092	507,482	627,833	555,334	392,326	1c. per lb.	1c. per lb.	3c. per lb.
Sheep..... No	1,112	1,220	6,217	75	137,459	121,473	58,065	29,347	.....	.....	.....
$	17,557	9,642	60,085	1,500	1,471,887	1,095,200	325,077	193,523	Free	(*c*)	$2 per head
Fruits—											
Apples, green or ripe..... Brl.	41,632	342	821	349	217,112	12,019	393,307	61,727	.....	.....	.....
$	101,852	1,797	593	1,728	762,876	60,578	2,000,700	288,527	10c. per bush.	30c. per bush.	25c. per bush.
Apples, dried..... Lb.	297,160	.....	.....	.....	586,073	.....	658,754	29,200	.....	.....	.....
$	23,191	.....	.....	.....	78,530	.....	76,092	2,920	1c. per lb.	1c. per lb.	2c. per lb.
Berries, fresh..... $	2	51	330	2,919	31,094	28,874	46,227	59,940	½c. per qt.	½c. per qt.	1c. per lb.
Grains—											
Barley.....Bush.	44	55	1,318	200	62,162	183	4,044	936,823	.....	.....	.....
$	135	107	695	100	80,456	235	2,261	497,745	15c. per bush.	15c. per bush.	20c. per bush.
Beans.....Bush.	208	948	29	18,021	3,169	2,723	3,521	68,513	.....	.....	.....
$	1,070	4,025	121	56,807	15,462	11,056	10,599	208,052	25c. per bush.	$1.20 per bush.	$1.05 per bush.
Buckwheat.....Bush.	17,608	31,191	12,274	28,196	59,654	201,625	88,912	204,117	.....	.....	.....
$	28,446	34,855	11,104	23,044	90,435	233,051	72,551	167,691	Free	Free	10c. per cwt.
Oats.....Bush.	852,507	494,866	213,528	19,130	2,411,505	1,098,004	1,452,160	171,745	.....	.....	.....
$	759,482	245,464	111,323	9,238	2,057,305	625,743	681,722	88,269	6c. per bush	6c. per bush	15c. per bush.
Pease, whole.....Bush.	11,161	14,618	20,179	27,207	47,241	43,618	95,777	139,642	.....	.....	.....
$	66,404	58,793	80,547	91,688	301,503	237,131	319,285	364,674	10c. per bush.	10c. per bush.	60c. per bush.
Pease, split.....Bush.	2,638	1,400	83	125	7,208	1,600	14,455	3,157	.....	.....	.....
$	10,931	3,864	288	430	25,568	4,440	54,180	9,937	20c. per bush.	20c. per bush.	75c. per bush.
Rye.....Bush.	72,518	12,770	2,888	150	424,673	290,333	81,352	436,215	.....	.....	.....
$	124,748	20,507	2,863	75	644,913	475,669	66,613	334,460	Free	Free	15c. per bush.
Wheat.....Bush.	224,363	3,131,237	42,291	85,813	2,242,284	40,598,547	9,261,079	8,886,689	.....	.....	.....
$	665,588	5,835,656	55,234	84,467	5,316,709	86,799,223	10,372,270	9,535,936	Free	35c. per bush.	30c. per bush.
Grain Products—											
Bran, shorts and middlings.....Cwt.	9,990	131,921	3,794	148,309	279,618	700,486	264,880	1,444,495	.....	.....	.....
$	24,798	166,959	6,209	199,728	632,731	1,188,368	262,007	1,635,536	10 p.c. or Free	10 p.c. or Free	15 p.c.
Wheat Flour..... Brl.	5,954	198,968	71,063	25,034	27,586	1,094,003	413,766	298,477	.....	.....	.....
$	77,931	1,749,516	437,098	163,770	317,312	10,863,352	2,510,621	1,786,449	Free	20 p.c.	78c. per cwt.
Meats—											
Bacon, hams, shoulders and sides...Cwt.	1,365	372	138	179	6,502	2,093	696	778	.....	.....	.....
$	32,762	13,078	4,405	5,588	169,276	76,639	22,028	25,581	Free	25 p.c.	2c. per lb.
Beef, fresh, chilled or frozen.....Cwt.	25,199	18,545	7,726	4,457	196,494	146,793	107,040	83,072	.....	.....	.....
$	443,829	285,864	105,228	50,303	3,158,925	2,150,577	1,148,997	969,340	Free	2c. per lb.	3c. per lb.

Mutton and lamb, fresh, chilled or frozen	Cwt.	3,499	244	2,369	.....	40,312	40,317	54,780	12,098	.....	.....	.....
	$	80,037	6,385	44,258	.....	887,533	1,029,221	929,891	294,304	Free	2c. per lb.	(d)
Pork, fresh, chilled or frozen	Cwt.	1,091	141	638	1,581	5,371	4,608	5,219	4,366	.....	.....	.....
	$	30,381	7,271	19,893	37,387	127,793	176,607	125,664	116,747	Free	2c. per lb.	¾c. per lb.
Pork, dry-salted and pickled	Cwt.	73	.....	.....	.....	3,518	622	331	5	.....	.....	.....
	$	1,084	.....	.....	.....	86,939	9,795	1,917	99	Free	25 p.c.	2c. per lb.
Poultry, dressed or undressed	$	23,648	12,182	14,655	19,553	110,835	460,692	684,791	549,229	2c. per lb.	2c. per lb.	6c. per lb.
Other meats, including canned meats, but excluding extracts	Cwt.	2,108	1,867	1,372	2,156	17,566	10,887	5,428	6,533	.....	.....	.....
	$	41,011	40,209	20,021	37,803	251,145	188,126	60,945	117,410	Free	25 p.c.	20 p.c.
Milk and milk products—												
Butter	Lb.	2,587,703	19,590	32,352	67,043	6,933,649	1,502,253	2,625,677	2,348,741	.....	.....	.....
	$	1,506,927	4,693	6,303	23,036	3,927,231	748,841	957,111	960,023	2½c. per lb.	6c. per lb.	8c. per lb.
Cheese	Lb.	166,944	5,644	397,008	5,800	3,474,036	275,394	2,934,382	1,974,600	.....	.....	.....
	$	47,065	2,551	62,895	1,563	916,931	76,849	451,216	372,224	20 p.c.	23 p.c.	(e)
Cream	Gal.	41,168	31,601	73,661	81,224	258,249	386,393	726,014	570,233	.....	.....	.....
	$	56,664	47,987	96,502	160,866	422,011	627,687	1,050,454	1,080,889	Free	5c. per gal.	20c. per gal.
Milk, fresh	Gal.	144,339	96,206	105,716	89,148	1,032,000	525,955	651,670	480,677	.....	.....	.....
	$	41,147	24,065	24,119	22,267	318,472	161,607	152,755	111,961	Free	2c. per gal.	2½c. per gal.
Milk, condensed, including milk powder	Lb.	1,090,346	1,864,388	.....	427,660	5,435,098	5,905,757	88,257	5,321,387	.....	.....	.....
	$	183,460	322,335	.....	51,593	901,463	989,899	16,884	666,341	Free	2c. per lb.	1c.—1½c. lb.
Seeds—												
Clover seed, alsike	Bush.	5,494	31,801	16,349	7,101	79,956	58,079	88,145	35,709	.....	.....	.....
	$	175,107	345,355	152,301	51,192	2,091,310	685,850	797,848	245,383	Free	Free	4c. per lb.
Clover seed, alfalfa and red	Bush.	17	1,017	2,678	47	2,798	1,972	6,700	71	.....	.....	.....
	$	642	11,521	30,716	742	78,260	20,994	68,125	1,091	Free	Free	4c. per lb.
Clover seed, other	Bush.	3,573	40,123	25,862	27,507	45,001	54,847	41,101	74,543	.....	.....	.....
	$	65,131	161,781	113,660	132,010	778,115	235,245	164,304	366,272	Free	Free	(f)
Flaxseed	Bush	89,386	14,076	19,413	217,795	449,332	829,072	1,425,165	1,705,763	.....	.....	.....
	$	447,125	25,443	45,942	505,393	2,177,947	1,740,138	2,661,951	3,622,611	20c. per bush.	30c. per bush.	40c. per bush.
Grass seed	Bush	7,324	15,040	10,637	6,613	29,348	76,354	63,502	51,953	.....	.....	.....
	$	18,277	29,825	38,186	13,409	98,877	156,985	260,641	100,156	Free	Free	2c. per lb.
Vegetables—												
Potatoes	Bush	666,877	351,023	387,066	84,189	3,621,688	1,787,796	1,220,418	288,607	.....	.....	.....
	$	1,446,949	184,262	208,293	54,995	5,077,946	1,446,750	875,267	223,279	Free	25c. per bush.	50c. per cwt.
Sugar beets	Ton.	.....	.....	.....	.....	7,723	11,502	10,481	11,430	.....	.....	.....
	$	.....	.....	.....	.....	70,235	103,175	63,151	56,730	5 p.c.	5 p.c.	80c. per ton
Turnips	Bush.	136,118	122,792	95,617	250,063	1,922,171	1,822,230	1,546,684	1,857,548	.....	.....	.....
	$	76,627	29,584	32,113	41,904	873,164	390,192	419,426	266,677	15 p.c.	15 p.c.	12c. per cwt.
Miscellaneous Products—												
Eggs	Doz.	5,165	3,054	1,109	421	75,338	137,267	111,798	70,987	.....	.....	.....
	$	3,317	1,267	377	195	47,659	89,008	53,639	30,232	Free	Free	8c. per doz.
Hay	Ton	26,116	9,071	410	7,472	111,185	51,602	1,263	13,465	.....	.....	.....
	$	529,631	182,502	6,327	75,169	1,933,309	1,138,301	27,258	143,798	$2 per ton	$2 per ton	$4 per ton
Maple sugar	Lb.	202,302	49,268	233,332	23,654	933,152	1,216,503	1,441,754	145,966	.....	.....	.....
	$	54,981	7,690	20,889	5,340	267,714	284,533	110,231	33,500	3c. per lb.	3c. per lb.	4c. per lb.
Tallow	Cwt.	15	944	1,986	6,623	17,489	9,835	10,489	11,418	.....	.....	.....
	$	209	5,916	9,696	54,476	275,805	67,369	56,471	89,876	Free	Free	½c. per lb.
Wool	Lb.	464,330	482,540	117,817	764,558	2,896,396	5,444,226	247,689	4,476,586	.....	.....	.....
	$	312,815	147,629	21,327	267,943	1,783,539	1,334,682	35,494	1,400,914	Free	(g)	(g)
Total value of above commodities	$	8,136,780	10,815,936	1,985,145	2,531,253	66,825,076	130,517,281	30,841,199	30,700,547	.....	.....	.....

(a) Cattle weighing less than 1,050 pounds, 1½c. per lb.: 1,050 pounds or over, 2c. per lb. (b) Horses valued at not more than $150 each, $30 per head: more than $150 each, 20 per cent. (c) Sheep, one year old or over, $2 per head: less than one year old, $1 per head. (d) Mutton fresh, 2½c. per lb.: lamb, fresh, 4c. per lb. (e) Cheese, 5 c. per lb. but not less than 25 per cent. (f) Clover seed, crimson, 1c. per lb.: white, 3c. per lb. and other, 2c. per lb. (g) Dutiable at various rates. See *Commercial Intelligence Journal* No. 974, Sept. 30, 1922, pages 516-7.

EXHIBIT No. 117

CHANGE OF PRICE JULY, 1919

The price of Arrow Collars, laundered and soft, taking effect July 4, will be $2.40 per doz., subject to change without notice.

You are requested to sell them at 30 cents each, not higher, so that the price to the consumer will be as low as possible, to allow of a small net profit to you.

The following styles of collars are sold up:—

LAUNDERED

Gothic	Lynx	Glasgow
Huron	Belmont (Madras)	Baltic
Drayton	Madras 3	Chester
Pender	Chadley	

SOFT

Dundalk	Brandon	Mohawk
Roslyn	Kelowna	Quincy
Sparling	Beverly	Kingston
Nicola	Wycliffe	Truro
Durham	Midland	Fordham
Gretna	Emery	Oka
Graham	Lakefield	

Please advise us when ordering collars, if we will send you the nearest style to those ordered at the same price, if styles ordered are sold up or not in stock.

CLUETT-PEABODY & CO. OF CANADA LIMITED

EXHIBIT No. 118

TOOKE BROS. LIMITED, MANUFACTURERS OF MEN'S FURNISHINGS

Montreal, July 3, 1919.

Dear Sir,—Owing to the continued increases in both wages and material, we are reluctantly compelled to advance the price of our collars.

Lines previously sold at $2 will be $2.40 per dozen, other lines in proportion.

Yours truly,

TOOKE BROS. LIMITED.

APPENDIX No. 3

EXHIBIT No. 119

To maintain the standard of quality to which we attribute the ever increasing popularity of our collars, it has become necessary for us to change the minimum price to $2.40 per dozen, retail price 30 cents, to take effect July 4, 1919.

Material and labour costs have considerably increased making this change necessary if you want your customers to get the same quality that they have been accustomed to in W. G. & R. products.

We are enclosing some price cards for use in connection with the above change in price.

Yours truly,

THE WILLIAMS, GREENE & ROME CO., LIMITED,
KITCHENER, CANADA

Add 5c per dozen to price of collars delivered from Vancouver warehouse.

EXHIBIT No. 120

HOUSE OF REPRESENTATIVES

67th Congress, 4th Session.

Document No. 560.

EXTRACT *from the Sixth Annual Report of the Federal Farm Loan Board of the United States of America for the Year Ending December 31, 1922*

Respectfully yours,

A. W. MELLON,
Secretary of the Treasury.

TREASURY DEPARTMENT,

WASHINGTON, February 6, 1923.

The Speaker of the House of Representatives.

SIR,—This report to you has been delayed beyond the usual time of submission, due to our desire to include in the major statistical data, particularly the operations of the Federal land banks, the record to the end of the calendar year.

The year 1922 has been one of steady and consistent progress in the development of the Federal farm-loan system. There have been made during the year, through the Federal land banks, 74,055 loans in the aggregate sum of $224,301,400. This is a very gratifying result in the figures involved, but a feature much more gratifying to those charged with the administration of the banks is that it represents a complete response to the borrowing demands upon the system, and that it shows a steady and normal flow of business by months. In view of the fact that the year has been one of very considerable borrowing demand, we believe it may be accepted as measuring the maximum call upon the banks and as demonstrating their capacity to respond to such demand under any except very unusual and extraordinary conditions.

A table showing the monthly volume of business in each of the several land banks with the total by months is attached and marked "Appendix No. 1".

Equally gratifying have been the financial operations of the banks. During the year farm-loan bonds to the total of $278,650,000 have been sold to the public. These sales being in excess of the loaning demand, the excess was used to call and retire bonds held by the Treasury in the sum of $70,150,000, thereby reducing the Treasury holdings as of December 31 to $112,885,000.

The loaning rate of the banks at the beginning of the year was 6 per cent, as all bonds sold during the year 1921 had been 5 per cent bonds. These bonds

had been offered to the public at par, the banks paying a commission on sale. In February the bond market seemed to justify the offering of the bonds at a premium and $75,000,000 of 5 per cent bonds were offered at a price which netted the banks a premium of 1½ per cent. This premium absorbed the losses in the way of commission on the sale of the bonds for the previous year. It was the judgment of the Federal land banks and the Farm Loan Board, early in May, that conditions had sufficiently improved to justify the reduction of the bond rate to 4½ per cent and the loaning rate to 5½ per cent. An offering of 4½ per cent bonds at par was accordingly made and oversubscribed. A portion of the over-subscription was used to retire bonds held by the Treasury, and the loaning rate was, on June 1, reduced to 5½ per cent, which rate has since prevailed.

The total retirement of Government stock by normal operations of the banks during the year was $2,333,890.

The steadily increasing volume of business has undoubtedly added to the earning power of the Federal land banks, and their total net earnings for the year were, by banks, as follows:

Springfield	$243,288 11	St. Paul	$637,541 88
Baltimore	236,973 46	Omaha	767,003 59
Columbia	338,589 49	Wichita	479,546 74
Louisville	462,545 13	Houston	599,488 12
New Orleans	495,988 54	Berkeley	241,298 55
St. Louis	515,073 13	Spokane	675,357 59

with a grand total, as will be seen, of $5,692,694.33.

The consolidated statement of the condition of the 12 Federal land banks as of December 31 is hereto attached, marked "Appendix No. 2."

Foreclosures

From the inception of the system to December 31 it has been found necessary to institute foreclosure proceedings on 1,402 mortgages, involving loans and accrued interest in the sum of $5,068,929.25. Of these, 672, involving $2,281,802.37, were settled before sale. In 318 cases, involving $1,081,994.65, foreclosure was completed and lands involved purchased at foreclosure sale and title acquired by the banks. And there remain pending 412 cases, involving $1,705,232.23.

Sales of acquired lands have been made in a volume approximating $250,000, and all unsold lands were, on December 31, charged to the undivided profits account of the banks and are not reported in the statement attached as an admitted asset; but only one of the acquired farms has been sold at a loss, and the action of the banks in charging off this item on December 31 is not indicative of anticipated loss, but was regarded as the establishment of a sound business policy, to the end that published statements will reflect only assets of admitted value. This record of foreclosures would it is believed be highly satisfactory, considering the total number and amount of loans held by the banks, even in normal times, and in view of adverse agricultural conditions for the past two years it is accepted as additional evidence of the soundness of the basis on which Federal land bank loans are made.

In previous reports attention has been called to the very satisfactory verification of the soundness of appraisals by the sale of mortgaged bonds, and at the expense of reiteration it may be well to say that when a farm mortgaged to a Federal land bank is sold the sale is reported to the local farm loan association in which the purchaser succeeds to the orignial borrower, and the sale price is of course embodied in such report.

During the year ending November 30, 1922, 4,714 such sales were reported. The total appraised value of the lands involved in these sales, as appraised

APPENDIX No. 3

by the Federal appraiser for the purpose of making the loans, was $36,247,533. The total loans amount to $14,925,994. The total sales aggregated $39,701,625. To put the matter somewhat more concretely, 4,714 farms, on which the total loans were, in round numbers, $15,000,000, had been appraised for thirty-six and one-fourth millions of dollars, and sold for $39,701,625, or nearly three and one-half millions above the appraised value, and the loans involved were only 37 per cent of the sale price and 41 per cent of the appraised value. This stability of appraisal is a substantial factor in the growing popularity of the Federal farm-loan bond.

A detailed statement of these sales by States is attached, designated as Appendix No. 3.

The usual statistical data brought down to October 31, indicating by States with fair accuracy the purpose for which loans have been granted, is attached and designated as Appendix No. 4.

The statistical record of appraisals made by Federal and joint-stock land banks is regarded as of especial value, and we venture to again call attention to the fact that the Farm Loan Board or any Federal land bank will be glad to give any legitimate inquirer a statement as to any county in the United States in which business has been transacted, showing the number of appraisals made, the number of acres involved, and the average appraisal by acre in the county. This service should be especially helpful to those who contemplate the purchase of lands in territory with the values of which they are unfamiliar.

The summary of the result of the appraisal of 210,000 farms, showing the number of appraisals by States and the average per acre appraised value in the several States, is attached as Appendix No. 5.

To summarize briefly, the 12 Federal land banks have, during the year, sold to the public all the farm-loan bonds they desired to offer; have reduced the rate of interest to borrowers one-half of 1 per cent, and met all the calls upon them where applications were satisfactory, having closed 74,055 loans, in the aggregate sum of $224,301,400; have retired Treasury stock to the total of $2,333,890, and voluntarily repurchased farm-loan bonds held by the Treasury in the sum of $70,150,000; have charged to their undivided profits all lands acquired by foreclosure and all instalment and interest payments more than 90 days overdue; and, after doing this and paying liberal dividends to shareholders, have nearly doubled their reserve account by adding thereto more than $1,300,000, and start on the new year with an undivided profits account of $1,117,597.36 larger than a year ago. This would seem to be a result in every way satisfactory.

NATIONAL FARM LOAN ASSOCIATIONS

There were organized during the year 361 national farm loan associations, while 25 were liquidated by consolidation with other associations, leaving the total number in operation 4,487.

A table showing by States the number of associations organized and charters cancelled by consolidation, together with the number, amount, and average size of loans made in each State, is attached as Appendix No. 6.

JOINT-STOCK LAND BANKS

During the year 1922 charters were issued to 40 of these institutions, bringing the total number in active operation at the end of the year to 63. The increase in the number from 23 to 63 in a single year is a rather notable development, but very much more so indeed is the development of the proportion of the total business done by these institutions. The 23 joint-stock land banks in operation during the year 1921 closed during that year 881

loans, aggregating $9,334,900. During the same period the 12 Federal land banks closed 27,153 loans, amounting to $91,029,976. During the year 1922 the joint-stock land banks closed 15,916 loans, in amount $138,684,779, and the Federal land banks 74,055 loans, totalling $224,301,400.

These figures are rather significant from several standpoints. In the first place, the fact that 23 of these institutions in existence in 1921, with no restraint upon their issue and sale of bonds except the market, with all of the incentive of private profit to urge the transaction of business, closed only 881 loans, totalling $9,334,900, while the 12 Federal land banks closed 27,153 loans, amounting to $91,029,976, should substantially answer the criticism directed at the Federal land banks that credit, through these agencies was deliberately denied during that period.

In the second instance, the operations of the year forcibly suggest the probability that in the immediate future, perhaps during the current year, the privately owned joint-stock land banks operated for private profit will, in the volume of business transacted, take precedence over the mutual Federal land banks. This development may well raise serious question as to the wisdom of providing for a great system of mutual or co-operative farm credits and at the same time providing under the same administeration for profit-making organizations to become its chief competitor, and may well raise the further question of whether legislation should not be enacted to make the system ultimately entirely mutual. These are, of course, problems for the consideration of Congress, and are merely pointed out by way of information with the urgent recommendation that serious and immediate consideration be given to legislation now pending, tending to place the mutual banks in a more nearly equal position in the competition for business.

The figures above quoted as to the volume of business of the joint-stock land banks also point out significantly the growing task of their supervision and examination, which now constitute more than half of the work of the Federal farm-loan bureau and strongly commend legislation assessing the expense of this bureau against the Federal and joint-stock land banks.

Legislation reflecting the needs pointed out in the preceding paragraph is now pending in both branches of the Congress. H. R. 14041, by Mr. Strong, and S. 4453, by Mr. Norbeck, are identical bills which, in the judgment of the Farm Loan Board, will be of especial advantage to the mutual branch of the farm-loan system without working injury to the joint-stock land banks, and we recommend the enactment of legislation which shall embody the substance of these bills.

In the operation of the joint-stock land banks to date there have been instituted 88 foreclosure proceedings, involving a total of $1,231,916,34. Of these, 16, involving $230,411.73, were paid up before judgment. In 18 cases, involving $218,364.73, foreclosures were completed and lands acquired by the joint-stock land banks. Fifty-four cases, involving $783,139.88, were pending and undisposed of on December 31.

A table showing the number of joint-stock land banks, with the capital, surplus, and loans in force of each as of December 31, 1922, is attached and designated as Appendix No. 7.

Respectfully submitted.

A. W. MELLON,
Secretary of the Treasury.
R. A. COOPER,
JOHN H. GUILL, Jr.,
CHAS. E. LOBDELL,
Members Federal Farm Loan Board.

APPENDIX No. 3

EXHIBIT No. 123

CANE SUGAR—TOTAL YIELD OF RAW SUGAR

(Official estimates collected by the International Institute of Agriculture)

Countries	1922–23	1921–22	Percentage 1922–23 (1921–22 = 100)
	Tons	Tons	p.c.
America—			
Argentina		212,747	
Brazil		675,608	
Cuba	4,596,000	4,476,795	102·6
United States	241,376	324,430	74·4
Nicaragua	12,677	14,881	85·2
Peru		358,253	
Porto Rico	392,782	405,936	96·8
Dominican Republic		205,974	
Asia—			
Formosa	372,053	368,045	101·1
British India	3,346,560	2,910,880	115·0
Java	1,986,042	1,857,613	106·9
Africa—			
Egypt[1]	51,128	58,720	87·1
Mauritius	258,720	224,660	115·2
South Africa	157,960	146,987	107·5
Oceania—			
Australia	344,960	330,961	104·2

[1] Yield to the end of February.

EXHIBIT No. 124

BEET SUGAR—PRODUCTION OF RAW SUGAR IN THE SUGAR PRODUCING SEASON 1922–23

(Official estimates collected by the International Institute of Agriculture)

Countries	Production from the opening of the season (1st September) to the end of February			Total yield during the season 1921–22
	1922–23	1921–22	Percentage 1921–22 = 100	
	Tons	Tons	p.c.	Tons
Europe—				
Germany[1]	1,546,333	1,373,612	112·6	1,429,284
Austria	26,855	18,035	148·9	18,035
Belgium[1]	291,049	312,935	93·0	315,497
Bulgaria[1]	18,209	14,237	127·9	14,237
Finland[1]	1,745	2,244	77·8	2,244
France	498,417	312,717	159·4	402,955
Hungary[2]	74,566	65,982	113·0	67,097
Italy[3]	274,441	219,293	125·1	227,513
Netherlands[1]	255,276	377,380	67·7	381,909
Poland[1]	355,376			200,588
Sweden[4]	79,185	258,792	30·6	258,792
Czecho-Slovakia	794,480	718,436	110·6	730,306
America—				
United States[4]	691,000	1,020,000	67·7	1,020,000

[1] Yield to the end of January.
[2] To the end of December.
[3] To the end of October.
[4] Total yield.

EXHIBIT No. 125

THE WORLD'S PRODUCTION OF SUGAR BEETS COMPARED WITH PRE-WAR PRODUCTION

(Statement by the International Institute of Agriculture)

The production of sugar beets in Europe during 1922, although greater than that of 1921—which was an extraordinarily poor one,—shows a great falling off (of about 24 per cent) as compared with the average during the five years 1909-1913; as will be seen from the following table, which shows the European production together with the aggregate production of the United States and Canada, the only countries outside Europe that are of any importance in the world-production of sugar beets.

In the total figure for Europe the production of the Russia of to-day has not been included. We may, however, roughly estimate Russian production to be under one-fifth of the pre-war average, which amounted to about 10,500,000 tons.

PRODUCTION OF SUGAR BEETS

Countries	1922	1921	Average 1909–13
	Tons	Tons	Tons
European countries	33,500,000	29,400,000	44,150,000
Canada and the United States	5,400,000	7,950,000	5,000,000
Totals	38,900,000	37,350,000	49,150,000

The small increase as compared with pre-war figures, in the American production, does not make up for the great decrease in Europe; so that this year's world-total production of sugar beet shows a drop of 21 per cent in comparison with the average for the five-year period 1909-1913, but a slight rise of 4 per cent over the production of 1921.

EXHIBIT 126

THE WORLD'S PRODUCTION OF SUGAR

(Statement by the U. S. Department of Agriculture, March 30, 1923)

World production of beet and cane sugar for the crop year 1922-23 is estimated at 20,450,000 short tons. This is 200,000 short tons more than the 1921-22 production, and 2,000,000 short tons more than the 1912-13 to 1913-14 pre-war average.

Beet sugar production in Canada and the United States is estimated at 745,000 tons, compared with 1,102,000 tons in 1921-22, and with 654,000 tons in the two pre-war years. Although beet sugar production in the United States is estimated at 347,000 tons less than last year, increased European production of 506,000 tons more than makes up the shortage, the department points out. European beet sugar production is estimated at 4,972,000 tons, compared with 4,466,000 tons in 1922, and with 7,850,000 tons in the two pre-war years.

This increase in European production indicates that the European demand for Cuban sugar may be less than last year, the department says.

Cuban cane sugar production is estimated at 4,596,000 tons, compared with 4,476,000 tons in 1922, and with 2,295,000 tons in the two pre-war years. Total cane sugar production for all countries reporting is estimated at 14,735,000 tons, compared with 14,690,000 tons in 1922, and with 9,913,000 tons in the two pre-war years.

APPENDIX No. 3

EXHIBIT No. 128

THE MANITOBA FARM LOANS ASSOCIATION

The following is the report of the above named Association for the nine months ending August 31st, 1922, submitted by the Secretary of the Association to The Hon. Provincial Treasurer.

Winnipeg, Manitoba, January 11th, 1923.

The Hon. F. M. Black, Provincial Treasurer,
Legislative Buildings, Winnipeg.

Sir:

I have the honour to submit herewith the fifth annual report of The Manitoba Farm Loans Association for the nine months ending August 31st, 1922.

The Association has now taken its place as an important factor in the Land Mortgage situation of the Province, as may be observed from a perusal of the very considerable figures given in its balance sheets appended.

During the nine months under consideration, 1,125 applications for loans to the amount of $2,717,000 were received, of which 612 were accepted and approved by the Board of Management, to the extent of $1,724,750. The number and amount of applications received during the period were proportionately less than those filed during the previous year, viz.:—1,891 for $5,096,000. The total applications received to August 31st, 1922, amounted to $18,600,000.

The sum of $1,901,850 was paid out in 691 loans, an average of $2,750 per loan, making 3,039 loans paid out to August 31st, 1922, a total of $8,049,500, of which amount the balance of principal outstanding is $7,357,971.23 for 2,796 loans. Sixteen loans, to the amount of $16,841.04 were paid off in full, some of them by the Soldier Settlement Board, others for the purpose of securing increased loans, which the Board could not see their way clear to grant, with other institutions, and the remainder by virtue of the statutory provision permitting the payments of Mortgages after the expiration of five years.

The Balance Sheet appended, certified to by the Provincial Auditors, Messrs. John Scott & Co., shows a net profit for the nine months of $40,533.98, from which amount the Board decided to pay to the Province the original grant of $10,000 for organization purposes received when the Association was incorporated in March, 1917. This gain for the nine months compares favourably with the profit of $43,186.38 for the year ending November 30th, 1921, and $32,558.60 for the previous year. The total amount standing at the credit of Profit and Loss Account, it will be noted, is now $126,702.24, after deducting the $10,000 aforesaid.

The expenses of conducting the business were almost exactly the same as for the year previous, but on, of course, a very much larger turnover, viz.:—$30,560.77 on $7,000,000, or less than one-half of one per cent.

The Association borrowed about $500,000 of six per cent money during the early winter months, but in February the market stiffened and it was able to borrow $500,000 at 5½ per cent at par, and during the summer, another $1,000,000 upon the same terms. It has not been deemed advisable so far to reduce the rate of interest to prospective borrowers until it has been seen in April of this year what success will attend the refunding of $1,000,000 worth of 5 per cent Debentures.

Following the defeat of the late Government on March 14th last the operations of the Association were confined to the handling of loans already accepted by the Board, new applications being received conditionally; so that, during July and August a very small amount of money was paid out. After

a conference between the present Cabinet and the Board, held on October 25th, at which assurances were given of the support and sympathy of the Government, inspections were resumed, and the paying out of new loans has proceeded as rapidly as possible.

Collections during the period were perhaps as good as could be expected, being $220,000 from arrears from 1919 and 1920 and payments maturing the fall and winter of 1921-22, which amounted to $395,000; or about 55 per cent. The sum of $198,454.62 stood at the debit of current account at August 31st, 1922, of which $25,000 represents Hail Insurance Premiums advanced by the Associations, as authorized by the Board. It might be remarked that a sum in excess of this amount was disbursed by the Hail Insurance Company in settlement of claims. Collection of arrears and current payments has progressed fairly satisfactorily during the past few months, and at the present writing, out of $616,600 due up to December 31st, 1922, $244,700 has been received, a percentage of about 40 per cent, which appears to compare favourably with the experience of other Mortgage Loan Companies in the Province.

"The Manitoba Farm Loans Act," was amended at the last session of the Legislature permitting the Association to procure captital by the issue and sale of bonds to the extent of twelve million dollars ($12,000,0000), instead of nine million dollars ($9,000,000) as originally enacted.

During the nine months it was found necessary to take out Mortgage Sale Proceedings in a few instances, but it has been the policy of the Board to refrain from such action unless absolutely necessary for the purpose of safeguarding the interests of the Association, and to endeavour to keep the owner upon the land as long as possible.

The Board of Management, consisting of Messrs. George Anderson, Fred C. Hamilton, D. D. McDonald and J. S.Wood, with L. McNeill, Commissioner, as Chairman, remains as originally constituted and continues to give to the affairs of the Association their earnest attention and the benefit of their experience.

Respectfully submitted.

C. P. L. FOWLER,
Secretary.

THE MANITOBA FARM LOANS ASSOCIATION

Head Office—Winnipeg

BALANCE SHEET AS AT 31ST AUGUST, 1922

Assets

Mortgage Loans (with interest accrued thereon to date)	$7,829,227 93
Agreements Receivable (with interest accrued thereon to date)	2,161 25
Real Estate	11,869 90
Investments	331,432 90
(Section 49 as amended 9 Geo. V, Cap. 34, Section 4.)	
Cash on hand	311 35
Accounts Receivable	856 66
Office Furniture	7,531 79
Deferred Charges	7,977 44

APPENDIX No. 3

Liabilities

Debentures (with interest accrued thereon to date)		$7,528,639 97
Note—In addition, the Association has issued to the Provincial Treasurer, a non-interest bearing Bond for $100,000 as collateral security for Depositors in accordance with the requirements as set forth in the Certificates of Deposit.		
Deposit Certificates (with interest accrued thereon to date)		13,412 22
		$7,542,052 19
Note—The above Liabilities amounting to $7,542,052.19 are guaranteed by the Province of Manitoba with the exception of Bonds held as Investments on Capital Account by the Provincial Treasurer as follows:—		
Principal	$5,750,000 00	
Interest Accrued	104,047 40	
	$5,854,047 40	
Bank Overdraft		17,625 62
Accounts Payable		20,159 17
Capital Stock Paid-up		484,830 00
Profit and Loss Account		126,702 24
Balance at Credit at 30th Nov., 1921	$ 96,148 26	
Profit for 9 months ending 31st Aug., 1922	40,553 98	
	$ 136,702 24	
Less Organization Grant repaid to Provincial Govt.	10,000 00	
	$ 126,702 24	
	$8,191,369 22	$8,191,369 22

Winnipeg, 23rd October, 1922.—We beg to report that we have audited the Books and Accounts of The Manitoba Farm Loans Association for the period ending 31st August, 1922, and hereby certify that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of affairs of the Association according to the best of our information and the explanations given to us, as shown by the Books and in conformity with the special Act of Incorporation and Amendments. The Securities representing the Investments (with the exception of those held by Solicitors and others) have been duly produced for our inspection; the Bank Overdraft has been verified by Bank Certificate; while the Cash on Hand was proved by actual count.

(Signed) JOHN SCOTT & CO.,
Chartered Accountants.

EXHIBIT NO. 129

MANITOBA FARM LOANS ASSOCIATION

April 30tl 1923

Applications received for loans to date:
7,344 for $20,528,780.15
Average: $2,800.00.

Foreclosures to date

20 parcels R. Estate=4,200 acres. Prin. against these=$46,000.
Sold 4 parcels without loss=920 acres.

EXHIBIT No. 130

THE MANITOBA FARM LOANS ASSOCIATION

April 30th, 1923.

Cash received on a/c of Annual Payments & Arrears.

October—				
Due	$ 50,244 92			
Paid	34,535 10	68¾%		
Balance	15,709 82	31¼%		
November—				
Due	218,749 80			
Paid	117,123 55	53½%		
Balance	101,626 25	46½%		
December—				
Due	346,981 43			
Paid	167,143 36	48%		
Balance	179,838 07	52%		
January—				
Due	104,118 47			
Paid	46,026 27	44%		
Balance	58,092 20	56%		
Total amount due	720,094 62			
Total amount paid	364,828 28	50½%	Principal	$ 80,782 06
Total amount unpaid	355,266 34	49½%	Interest, &c.	274,484 28
				$355,266 34

APPENDIX No. 3

EXHIBIT No. 131

Manitoba Farm Loans Association Financial Statement
April 30th, 1923

Loans paid out:—			
To August 31st, 1922		3,039	8,049,500 00
1922			
September		6	9,700 00
October		11	16,900 00
November		20	28,050 00
December		40	88,450 00
1923			
January		67	131,550 00
February		31	64,500 00
March		35	69,500 00
April		27	75,600 00
		3,276	8,533,750 00
Loans principal outstanding		7,625,015 96	
Loans current payments outstanding		380,133 59	8,005,149 55

Liabilities

Bonds, M. G. T.	5 %	$1,000,000 00	
" Province of Manitoba	5 %	3,300,000 00	
" Province of Manitoba	5½%	1,500,000 00	
" Province of Manitoba	6 %	1,000,000 00	
" Public	5 %	113,970 00	
" Public	5½%	110,315 00	
" Public	6 %	433,895 00	$704,405 00
Deposit certificates	4 %	46,225 00	
Bank of Montreal outstanding	5¾%	477,349 25	
		7,981,754 25	

	Less		
Sinking Fund Inv.			
Real estate	58,889 11		
Victory bonds 1934	325,450 00		
Bonds, Prov. of Manitoba	31,615 69		
Bonds, Prov. of Ontario	78,255 00		
Agreements for sale	2,100 00	496,309 80	
Net Liabilities			$7,485,444 45
Applications in hand			$

EXHIBIT No. 200

British Columbia Fruit Growers Association,

Kelowna, B.C., May 4, 1923.

Chairman
Special Committee on Agriculture,
Ottawa.

Sir,—I have the honour to present the following brief on behalf of the Fruit Industry of British Columbia, to supplement the evidence given by Mr. Bulman and myself, before your Committee on March 9th, 1923, and reported in minutes of Proceedings and Evidence No. 3.

Acreage and Varieties

Exhibit No. 200A shows a total of 28,145 acres planted to tree fruits, which represent the principal commercial tree fruit acres in British Columbia.

The following are the approximate percentages of the apple varieties in British Columbia:—

	22	per cent Jonathan.
	22	per cent MacIntosh Red.
	12	per cent Wealthy.
	9	per cent other early varieties.
Total early	65	per cent.
Total late	35	per cent various winter varieties.
	100	per cent.

The following are the approximate percentages of the apple varieties for the Western United States:—

	18	per cent Jonathan.
	12	per cent others.
Total early	30	per cent.
	33	per cent Winesap.
	17	per cent Delicious.
	12	per cent Rome Beauty.
	3	per cent Spitzenburg.
	5	per cent Newtowns.
Total late	70	per cent.

It should be noted from these figures that British Columbia has 65 per cent of Early varieties against 30 per cent in the Western United States which presents to British Columbia an entirely different problem, viz; the necessity of the quick handling of a large part of the crop or else the lengthening of the marketing season by the placing of these varieties into cold storage.

85 per cent of the Western United States crop is put into storage.

APPENDIX No. 3

The International Apple Shippers Association give the following figures with regard to storage.

March 1, 1923.

In Canada		In United States
	Cold Storage	
36,433 boxes		5,906,587
	Common Storage	
160,643		1,153,264
	Cold Storage	
32,055 bbls.		2,122,904 bbls.
	Common Storage	
171,241		93,264

Exhibit No. 200 "B" shows a total of 6,252 acres planted to small fruits in British Columbia.

Production.—The production and value of all fruits from 1913 to 1922, and taken from the Provincial Department of Agriculture statistical bulletins is as follows:—

Year	Cars	Value
1913	951·5	$ 803,419
1914	1,417·7	996,071
1915	1,589·5	1,325,387
1916	3,178·0	2,176,662
1917	3,612·8	2,884,954
1918	3,719·4	4,415,160
1919	4,668·8	7,772,474
1920	3,032·6	5,658,158
1921	5,746·3	6,504,850
1922	6,277·0	4,915,604

Distribution.—Approximate distribution of the Okanagan Valley Apple crop in carloads for the years 1920-1921-1922.

	1920	1921	1922
British Columbia	124	233	235
Alberta	534	696	1,190
Saskatchewan	563	847	1,247
Manitoba	288	744	806
Eastern Canada	116	227	261
United States	53	989	239
Great Britain	206	503	623
New Zealand	16	18	26
China	7	19	7
Norway		51	12
Sweden		1	5
South Africa		6	8
Australia	2		
	1,909	4,334	4,659

Cost of Production

Exhibit No. 200 "C" (Not printed): Cost of producing apples in the Okanagan by W. A. Middleton, B.S.A.

Exhibit No. 200 "D" (Not printed): Small Fruit Survey by A. F. Barss.

Exhibit No. 200 "E" (Not printed): Yields, grades, prices and returns for apple varieties in the Okanagan Valley by W. A. Middleton.

W. A. Middleton is Extension Assistant of the Department of Horticulture, University of British Columbia, and he has prepared the following report dealing with the question of the cost of production for the years 1919, 1920, 1921.

Report on the Cost of Producing Apples in the Okanagan Valley for the Years 1919, 1920 and 1921

The method followed in working out the average cost of producing apples in the Okanagan Valley for the years 1919 and 1920 was the cost accounting system.

A detailed study was made for the year 1919 of the different operations entering into the cost of producing apples, and the results of the investigation have been published in Agricultural Department Circular No. 38.

The costs are based on the yield of the leading varieties grown, the average of which is above that of all varieties, thus the cost per box for the leading varieties is lower than it would be if all varieties were considered because as the yield per acre increases the cost of production per box decreases other factors, such as labour material and fixed costs, being equal.

It was due, largely to the influence of yield on cost of production that an investigation was carried out on yields, grades, prices, returns, on all apple varieties grown more or less commercially in the Okanagan. The result of this investigation has been published in College of Agriculture Circular No. 4. The influence of yield is also shown in this report.

1919 Cost of Production

As shown in Circular No. 38 page 8, material and fixed costs amount to ·8073 cents or practically 81 cents per box to grow, harvest and deliver the apples to the packing house. Under labour costs the grower or farm owner is allowed only average wages as paid for farm labour in 1919. The farm dwelling is excluded from the farm business. Interest on Investment is charged at the rate of 8 per cent.

1920 Cost of Production

The cost of production for the year 1920 is based on 1919 figures, allowing of course, for average increase in labour material and fixed costs where necessary.

The yield for 1920 averaged 168 boxes per acre for leading varieties. On this yield, the cost amounted to $1·2965 or practically $1.30 per box.

1921 Cost of Production

A different method was adopted and followed in arriving at the cost of production for the year 1921.

Eighty-four farms were included in the survey and the average yield from these farms was 242 boxes per acre. The cost of production was figured only on farms where 60 per cent or over (average 80 per cent) of total receipts came from apples. Out of the 84 farms 56 were used in determining the cost of production.

On these 56 specialized apple farms the yield averaged 272 boxes per acre.

It was assumed that other fruit and side lines were sold at exact cost of production. The receipts from same are deducted from total farm expenses.

APPENDIX No. 3

The side lines have the effect of decreasing or increasing the cost of production of apples, hence, the precaution was taken to include only such farms where 60 per cent or over (average 80 per cent) of total receipts came from apples, so that the cost would not be materially affected by the side lines.

The average cost of production under this method amounted to $1.14 per box, after allowing the owner when entitled to $960 per year for wages and interest on investment at 7 per cent.

Farm perquisites (including rent for the farm dwelling) are credited to the farm and deducted from expenses.

Cost of Production Varies

Cost of production varies materially on different farms due to several factors such as yield, capital invested, size of farm, intensity of culture, and managerial ability of the farm owner or operator.

Of these factors yield per acre is the most important, and is shown in Cir. 39 page 9, under heading "Costs on Different Yields." The effect of yield is also brought out in the following table.

No. of farms	Yield per Acre	Cost of Production per box
56	272 boxes	1·14
1	107 boxes	3·10
1	463 boxes	·61

The yield per acre in the Okanagan is increasing on the average, due to the fact that the trees are increasing in age—hence are coming more into full bearing; also efforts are general throughout the Valley to practise cultural methods to increase the yields, this with other factors being equal, will tend to reduce the cost of production.

TABLE showing average cost of production, average price, and profit and loss per box for the years, 1919-1920-1921

Year	No. of Farms	Yield in boxes per acre		Average Price Received per box	Cost per box	Profit or Loss per box
1919	42	280	Leading Varieties	1·36	·81	+·55
1920	42	168	Leading Varieties	1·55	1·30	+·25
1921	56	272	On specialized apple farms	·75	1·14	−·39

(End of Mr. Middleton's Report)

It is well to emphasize the fact that these surveys cover a large number of orchards and are therefore a fair average. As pointed out by Mr. Middleton, the cost of production varies greatly on individual farms, and should only a few farms be taken the cost of production could easily be made misleading.

Cost of producing strawberries as shown in detail varies between districts as well as between farms within the same district. The district averages, based on the figure obtained from a large number of farms in every instance are found to be $2.30 a crate in one district; $1.86 in another, and $1.60 in the third district.

The cost of producing Red Raspberries was found to average $1.78 a crate.

Capital: Investment:

Exhibit 200 "F": Relation of capital investment to labour income, etc., compiled by Mr. W. A. Middleton.

From table No. 4 of this Exhibit, it will be seen that the capital value of land in the Okanagan averages $1,046.00 per acre. The average price paid for raw land under irrigation was $250 per acre. Clearing and planting averaged $100 per acre.

The annual upkeep amounts to $66.25, including taxes $7.50, water rates $7.75. If these figures are totalled for eight years (at which age orchard comes into commercial bearing) and simple interest is charged at rate of 7 per cent per annum, it will be found that the total cost of bringing orchard to commercial bearing is over the average investment charge of $1,046.00 per acre quoted above.

It should be noted that the average tax paid by fruit growers was $10.45 in 1921, and water rates $12.80 for the same year: both these items are on the increase.

The amount invested in buildings for packing and shipping fruit is approximately one million dollars, and represents a capital investment in the industry of $207.00 per car.

The total investment in the fruit industry in the Province of British Columbia is not less than forty million dollars.

Prices Received by Growers

The net prices received by growers for apples per box, all grades, were as follows:

Year	Quantity in Boxes	Values	Gross per box.	Net per box.
1910	210,000	$ 274,420	1·30	.....
1911	250,000	385,920	1·50	.....
1912	430,000	.....	.....	.....
1913	477,000	.....	·90	.....
1914	685,000	.....	.....	.....
1915	787,750	857,859	1·03	$ 0·61
1916	1,289,980	1,313,382	1·02	0·58
1917	1,502,921	1,887,514	1·25	0·76
1918	1,343,450	2,319,227	1·75	1·17
1919	2,524,132	4,550,453	1·80	1.20
1920	1,513,623	2,902,826	2·35	1.55
1921	3,131,207	3,951,735	1·42	0.75

APPENDIX No. 3

The figures for 1922 cannot yet be obtained for the whole crop, but the following table shows the average prices obtained by the growers, from four of the largest shipping firms, for the main varieties:

	No. 1	No. 2	No. 3	Crates	Export
Early	68	64	.....	44	.....
Wealthy	60	48	.....	37	42
McIntosh	58	27	16	5½	50
Delicious	63	41	7	.....	.....
Rome Beauty	45	41	15	.....	.....
Grimes Golden	22	20	10		
Winesap	44	34	11	.....	55
Stayman Wine	47	36	8	.....	45
Wagner	39	32	10	.....	.....
Spy	40	26	14	.....	.....
Newtown	79	59	20	.....	87
Jonathan	All grades	show loss 12	cents.		

Prices Paid by Consumer

As reported on page 50, Minutes of Proceedings, an undertaking was given to supply the Committee with some figures showing what fruit was selling at in retail stores on the Prairies between September 30th and 10th October, as noted by General Harman and Mr. Taylor.

In the following table where the prices varied for the same quality of fruit in different stores, these variations are given, and it should be noted that in some cases these amount to more than the producer received for the fruit.

Calgary:

Hyslop Crab.. $1.25 per box..McIntosh Red.. $2.45 No. 2
" " .. 1.00 " " .. " " .. 2.40 No. 1
" " .. 2.00 " " .. " " .. 2.40 No. 1
" " .. 1.25 " " .. prices {2.20–2.25
" " .. 1.25 " " .. quoted in {2.30–2.50
" " .. 3 lbs. 25c. .. one day {9 lbs.–25c.
Wealthy .. $1.60 crates. Flemish {$2.00 No. 1
1.65 Domestic. Beauty {2.15 No. 1
Pears {1.00 No. 1

Carstairs:

Hyslop Crab.. .. .. $2.25 per box
McIntosh Red, Crates.. .. .. $1.75
No. 1 2.75
No. 2 2.40
No. 1 2.65
Flemish Beauty Pears.. .. .. No. 1 3.50

Crossfield:

Hyslop Crab .. $2.00 per box McIntosh Red, crates..$2.25
No. 1.. 3.00

Didsbury:

Hyslop Crab. ..$2.90 per box McIntosh Red, No. 1..$2.90
2.00 " Crates.. 2.30
2.00 " Crates.. 2.30
Wealthy.—No. 1.—2.75 Flemish Beauty.
" 2.50 Pears....No. 1.—2.75
3 lbs. for 25 cents.

Olds:

Hyslop Crab..	—1.85 per box	McIntosh Red.	—No. 1. 2.50
	2.00 "		" 2.75
			crts. 1.95
			" 1.90

Edmonton:

Hyslop Crab..	—1.50 per box	McIntosh Red.	—No. 1. 2.35
	1.45 "		" 2.40
			" 2.35
			" 2.49
			Crts. 1.79
Wealthy.	—No. 1.—1.18	Flemish Beauty.	
	" 1.75	Pears.. ..	No. 1. 2.75
	" 1.25		

Saskatoon:

Hyslop Crab	—1.90 per box	Wealthy..	No. 1. 1.75
		McIntosh Red.	—Crate 1.25
			" 1.40
			" 1.75
			No.1. 1.80
			" 2.00
			No. 2. 1.90

Winnipeg:

Hyslop Crab.	McIntosh Red.	Wealthy.
2.50 per box.	No. 1. 2.95	No. 1. 2.50
1.95 "	" 2.25	
	No. 2. 2.75	

The following figures are taken from the weekly reports of the British Columbia Government Prairie Markets Commissioner, and show the weekly retail prices on early apples at Winnipeg, from the end of August to the beginning of November, 1922:—

August	30th—Duchess—No. 1..	$3 00	per box.
September	2nd— " "	3 00	"
"	9th— " "	2 00	crate
"	9th—Wealthy "	3 50	per box.
"	9th—Duchess "	2 50	"
"	23rd— " "	2 50	"
"	23rd—Wealthy "	3 00	"
"	30th—Jonathan "	2 75	"
"	30th—Wealthy "	2 25	"
October	19th— " "	2 50	"
"	19th—Gravenstein—No. 1..	2 75	"
"	19th—McIntosh Red "	2 85	"
"	19th— "	2 00	crate
"	28th—Gravenstein	2 00	"
"	28th— " No. 1..	2 25	per box.
"	28th—Wealthy "	2 25	"
"	28th—Hyslop..	2 25	"
"	28th—McIntosh No. 1..	2 50	"
November	8th— " "	1 75	crate
"	8th—Spy "	3 00	per box.
"	8th—Delicious "	3 25	"

Packing and Selling Charges.

The independent shipping firms charged the growers a uniform rate of 60 cents for packing and selling a box of apples in 1922, and this, together with any average, gave the shippers their profit.

The following figures secured from one of the Co-operative Packing Associations show the various items making up the packing and selling charges which in their case was 63·5 cents per box.

	Cents
Box	15·25
Making	1·75
Labels	1·15
Lining Paper	·75
Wrapping Paper	6·00
Sorting and Packing	7·15
Lidding	1·00
Trucking	2·30
Receiving and Weighing	·95
Shipping	1·10
Car bracing	
Power Light and Fuel	1·10
Supervision	1·50
xxOverheads	14·00
	54·0
Selling Charge	9·5
Total	63·5 cents

xx. This includes salaries, office rentals, taxes, interest, bad debts, and depreciation.

The following were the packing and handling charges made by independent shippers:

	Cents.
Apples, pears (on No. 1 and 2, sold in Canada.)	60
Apples exported	70
Crabapples and crate apples	45
Plums, Peaches, Apricots, 4-basket crate	50
Plums per box	37
Prunes per box	30
Cherries, 4-basket crate	60
Cherries per box	50

Agricultural Imports

The question was raised in your committee as reported on page 74 of Proceedings, as to whether the fruit growers of British Columbia were large buyers of produce from the Prairies. The answer is emphatically in the affirmative. There is no means of ascertaining the value of these importations, but the Provincial Government Statistics show that in the year 1921, the value of agricultural importations from other provinces into British Columbia and which includes live stock, meats, poultry products, dairy products, grains and hay, amounted to $15,142,523.

Conclusion

The figures and statements herein given are the result of careful study and consideration and every effort has been made to place the facts before you in such a manner that it is hoped that your Committee will be able to draw such conclusions from them as will enable you in your wisdom to assist in establishing the industry on a sound and economic basis.

All of which is respectfully submitted.

PRITISH COLUMBIA FRUIT GROWERS ASSOCIATION,

LEMUEL E. TAYLOR,
President.

On behalf of the Executive..

APPENDIX No. 3

EXHIBIT No. 200A

ORCHARD SURVEY OF THE OKANAGAN HORTICULTURAL DISTRICT, 1920

(The Okanagan and Similkameen Valleys and Points on Main Line of the C.P.R. east from North Bend)

HORTICULTURAL BRANCH, BRITISH COLUMBIA DEPARTMENT OF AGRICULTURE

OFFICE OF DISTRICT HORTICULTURIST, VERNON, B.C.

	Districts	Total acreage of all Fruits	Ages	Jonathans	McIntosh	Wagner	Wealthy	Delicious	Yellow Newton	Grimes Golden	Northern Spy	Winesap	Duchess
NORTHERN OKANAGAN	C.P.R. Main Line Points excepting Salmon Arm.	558	1-5 years	175	510	.....	260	.....	.....	100	.....	150	.....
			5-10 "	2,290	1,995	1,635	4,160	1,300	25	1,805	130	75	170
			Over 10	3,677	2,790	5,075	1,795	571	30	1,360	31	1,170	510
			Total	6,142	5,255	6,710	6,215	1,871	55	3,265	161	1,395	680
	Salmon Arm	1,120	1-5 years	2,413	5,547	1,013	5,235	2,130	.....	1,030	1,057	50	102
			5-10 "	11,069	3,831	3,801	10,974	3,799	148	2,974	2,477	223	554
			Over 10	1,946	704	761	4,296	610	10	811	1,683	290	84
			Total	15,428	10,082	5,575	20,505	6,539	158	4,815	5,217	563	740
	Armstrong and Enderby.	208	1-5 years	50	731	146	147	204	.....	34	2	.....	14
			5-10 "	446	1,043	370	784	749	.....	285	41	.....	46
			Over 10	266	592	360	117	.....	100	25	66	.....	11
			Total	762	2,366	876	1,048	953	100	344	109	.....	71
	Vernon and Oyama	4,828	1-5 years	1,069	9,255	2,146	4,005	4,501	115	260	245	60	3,810
			5-10 "	14,542	8,765	11,996	10,103	6,388	2,121	6,997	579	650	8,191
			Over 10	31,366	20,712	5,672	18,390	2,360	3,076	3,309	2,400	1,716	9,064
			Total	46,977	38,732	19,814	32,498	13,249	5,312	10,566	3,224	2,426	21,056
	Okanagan Centre and Duck Lake	1,290	1-5 years	697	3,006	440	172	1,325	100	50	10	25	93
			5-10 "	5,817	3,670	4,927	1,103	1,680	901	823	438	240	484
			Over 10	8,379	6,393	7,125	1,347	249	618	2,098	710	232	1,175
			Total	14,903	13,069	12,492	2,622	3,244	1,619	2,971	1,158	497	1,752
SOUTHERN OKANAGAN	Kelowna	4,911	1-5 years	1,040	6,896	1,846	2,309	4,334	213	763	57	221	2,287
			5-10 "	103,001	34,285	20,429	15,994	13,599	12,557	5,623	10,506	7,314	978
			Over 10	6,330	4,451	2,683	1,673	249	3,150	402	3,789	935	365
			Total	110,371	45,632	24,958	19,976	18,182	15,920	6,788	14,352	8,470	3,630
	Westbank	710	1-5 years	606	2,524	1,470	494	358	185	195	.....	.....	32
			5-10 "	2,172	2,251	1,561	872	345	312	417	230	225	107
			Over 10	2,603	1,540	1,673	485	574	393	453	588	256	207
			Total	5,381	6,315	4,704	1,851	1,277	890	1,065	818	481	346
	Peachland	561	1-5 years	652	1,798	231	138	1,209	27	88	....	242	63
			5-10 "	3,075	2,760	1,896	279	765	448	358	53	920	442
			Over 10	918	966	1,296	582	40	275	537	641	439	137
			Total..	4,645	5,524	3,423	999	2,014	750	983	694	1,601	642
	Summerland	2,435	1-5 years	815	5,711	682	105	3,425	932	....	.....	152	587
			5-10 "	11,872	5,689	4,244	653	1,058	4,096	3,352	6	1,318	226
			Over 10	7,500	2,042	4,677	1,717	495	8,204	783	8,369	467	251
			Total.....	20,187	13,442	9,603	2,475	4,978	13,232	4,135	8,375	1,937	1,064
	Naramata	538	1-5 years	320	623	50	.....	865	75	197	.....	100	45
			5-10 "	5,403	1,940	2,201	143	370	1,595	549	5	445	56
			Over 10	3,453	1,211	2,398	275	16	1,638	358	209	940	19
			Total	9,176	3,774	4,649	418	1,251	3,309	1,104	214	1,485	120
	Penticton	2,144	1-5 years	782	4,450	935	501	4,570	443	50	.....	700	19
			5-10 "	12,064	3,397	8,730	968	3,920	5,091	1,239	638	5,109	101
			Over 10	10,544	1,733	4,400	953	484	3,861	1,152	1,964	2,494	102
			Total	23,390	9,574	14,065	2,422	8,983	9,395	2,441	2,602	8,303	212
	Keremeos	688	1-5 years	2,650	2,555	1,300	.....	2,005	340	160	.....	1,515	.....
			5-10 "	4,235	2,170	1,560	190	1,680	800	75	195	3,320	80
			Over 10	1,540	1,115	130	103	550	735	90	195	375	45
			Total	8,425	5,840	2,990	293	4,235	1,875	325	390	5,210	125
	Total No. Trees.....	.....	1-5 years	11,269	43,606	10,259	13,366	24,926	2,430	2,927	1,371	3,215	7,052
	Total No. Trees.....	.....	5-10 "	175,996	71,796	63,350	46,223	35,652	28,095	24,497	15,298	19,839	11,435
	Total No. Trees.....	.....	Over 10	78,522	44,249	36,250	31,733	6,198	22,090	11,378	20,645	9,314	11,970
	Total Acreage. . .	19,991	Total Trees	265,787	159,651	109,859	91,322	66,776	52,615	38,802	37,314	32,368	30,457

EXHIBIT No. 200A—*Continued.*

ORCHARD SURVEY OF THE OKANAGAN HORTICULTURAL DISTRICT, 1920

(The Okanagan and Similkameen Valleys and Points on Main Line of the C.P.R. east from North Bend)

HORTICULTURAL BRANCH, BRITISH COLUMBIA DEPARTMENT OF AGRICULTURE

OFFICE OF DISTRICT HORTICULTURIST, VERNON, B.C.

Districts	Total acreage of all Fruits	Ages	Spitzenberg	Rome Beauty	Winter Banana	Cox's Orange	Jeffries	Ontario	Baldwin	Gano	Yellow Transparent	Salome	
C.P.R. Main Line Points excepting Salmon Arm.	558	1-5 years	.....	.....	50	.....	.....	.....	.....	.....	.....	.....	NORTHERN OKANAGAN
		5-10 "	100	60	225	.....	.....	.....	.....	.....	40	80	
		Over 10	216	845	5	48	.....	.....	31	17	5	60	
		Total	316	905	310	48	.....	.....	31	17	45	140	
Salmon Arm	1,120	1-5 years	.....	40	216	.....	.....	.....	.....	320	13	.....	
		5-10 "	321	367	215	.....	.....	.....	.....	262	109	25	
		Over 10	83	230	152	.....	.....	10	30	294	102	60	
		Total	404	637	583	.....	.....	10	30	876	224	95	
Armstrong and Enderby.	208	1-5 years	.....	.....	131	.....	.....	.....	.....	.....	3	.....	
		5-10 "	90	96	225	.....	.....	8	5	20	83	102	
		Over 10	75	10	24	.....	.....	20	15	6	25	20	
		Total	165	106	380	.....	.....	28	20	26	111	122	
Vernon and Oyama	4,828	1-5 years	.....	2,252	207	.....	100	.....	.....	.....	168	.....	
		5-10 "	917	774	478	140	.....	180	128	942	915	.....	
		Over 10	3,187	4,606	1,491	1,051	5,898	425	1,503	83	130	1,677	
		Total	4,104	7,632	2,176	1,191	5,998	605	1,631	1,025	1,213	1,677	
Okanagan Centre and Duck Lake	1,290	1-5 years	.....	150	35	.....	.....	.....	.....	.....	25	.....	
		5-10 "	736	1,329	260	.....	.....	47	11	500	22	.....	
		Over 10	325	565	327	.....	.....	150	20	622	.....	343	
		Total	1,061	2,044	622	.....	.....	197	31	1,122	47	343	
Kelowna	4,911	1-5 years	575	743	35	64	2	.....	.....	.....	62	.....	SOUTHERN OKANAGAN
		5-10 "	7,518	2,182	1,519	2,102	20	2,458	424	375	367	.....	
		Over 10	1,753	181	110	1,348	21	193	156	95	121	220	
		Total	9,428	3,106	1,664	3,514	43	2,651	580	470	550	220	
Westbank	710	1-5 years	.....	142	210	.....	.....	.....	.....	.....	20	.....	
		5-10 "	240	595	298	240	.....	.....	130	75	38	40	
		Over 10	585	50	408	277	.....	135	386	473	131	41	
		Total	825	787	916	517	.....	135	516	548	189	81	
Peachland	561	1-5 years	.....	213	4	.....	.....	.....	.....	.....	25	.....	
		5-10 "	319	130	268	10	2	16	75	19	38	95	
		Over 10	286	100	194	31	25	35	199	49	39	332	
		Total	605	443	466	41	27	51	274	68	102	427	
Summerland	2,435	1-5 years	25	302	534	.....	.....	.....	3	.....	.....	.....	
		5-10 "	1,823	452	1,289	251	9	398	13	.....	42	.....	
		Over 10	2,276	624	926	1,034	45	515	1,142	204	488	325	
		Total	4,124	1,378	2,749	1,285	54	913	1,158	204	530	325	
Naramata	538	1-5 years	.....	400	20	.....	.....	.....	.....	.....	60	.....	
		5-10 "	783	1,323	254	82	.....	9	.....	47	25	.....	
		Over 10	646	853	657	191	.....	.....	.....	10	111	.....	
		Total	1,429	2,576	931	273	.....	9	.....	57	196	.....	
Penticton	2,144	1-5 years	100	413	52	.....	.....	30	.....	.....	8	.....	
		5-10 "	2,598	622	1,057	737	139	550	393	.....	35	16	
		Over 10	3,320	974	1,459	1,039	179	849	487	.....	406	39	
		Total	6,018	2,009	2,568	1,776	318	1,429	880	.....	449	55	
Keremeos	688	1-5 years	25	150	.....	25	.....	.....	.....	.....	.....	.....	
		5-10 "	940	100	160	260	.....	.....	145	.....	.....	.....	
		Over 10	675	160	145	25	.....	.....	486	495	.....	31	
		Total	1,640	410	305	310	.....	.....	631	495	.....	31	
Total No. Trees	.....	1-5 years	307	4,805	1,404	89	102	30	3	320	384	.....	
Total No. Trees	.....	5-10 "	16,385	8,030	6,078	3,822	170	3,666	1,324	2,240	1,714	358	
Total No. Trees	.....	Over 10	13,427	9,198	4,898	5,044	6,168	2,332	4,455	2,348	1,558	3,158	
Total Acreage	19,999	Total Trees	30,119	22,033	13,670	8,955	6,440	6,028	55,782	4,908	3,656	3,516	

APPENDIX No. 3

EXHIBIT No. 200A—*Continued.*

ORCHARD SURVEY OF THE OKANAGAN HORTICULTURAL DISTRICT, 1920

(The Okanagan and Similkameen Valleys and Points on Main Line of the C.P.R. east from North Bend)

HORTICULTURAL BRANCH, BRITISH COLUMBIA DEPARTMENT OF AGRICULTURE

OFFICE OF DISTRICT HORTICULTURIST, VERNON, B.C.

Districts	Total acreage of all Fruits	Ages	King	Ben Davis	King David	Gravenstein	Snow	Other Apples	Hyslop	Transcendent	Total Apples	
C.P.R. Main Line Points excepting Salmon Arm	558	1-5 years	.....	50	.....	.....	100	545	.....	.....	1,950	NORTHERN OKANAGAN
		5-10 "	.....	.....	100	.....	150	178	.....	711	15,259	
		Over 10	12	199	.....	.....	87	598	37	642	19,811	
		Total	12	249	100	.....	337	1,321	37	1,353	37,010	
Salmon Arm	1,120	1-5 years	.....	.....	75	.....	110	505	231	202	20,289	
		5-10 "	55	34	156	.....	.....	511	862	1,345	44,112	
		Over 10	269	270	570	.....	128	1,797	184	411	15,795	
		Total	324	304	801	.....	238	2,813	1,277	1,958	80,196	
Armstrong and Enderby	208	1-5 years	.....	.....	.....	.....	.....	24	24	5	1,515	
		5-10 "	.....	13	.....	.....	3	115	148	450	5,122	
		Over 10	.....	32	.....	.....	17	48	1	10	1,840	
		Total	.....	45	.....	.....	20	187	173	465	8,477	
Vernon and Oyama	4,828	1-5 years	.....	.....	50	.....	40	726	1,893	915	31,817	
		5-10 "	50	300	20	.....	303	1,556	2,715	3,494	83,244	
		Over 10	82	703	190	.....	188	8,275	5,485	9,259	142,298	
		Total	132	1,003	260	.....	531	10,557	10,093	13,668	257,359	
Okanagan Centre and Duck Lake	1,290	1-5 years	.....	.....	.....	30	.....	30	.....	110	6,298	
		5-10 "	15	.....	300	90	...	1,249	527	1,877	27,046	
		Over 10	257	15	.....	50	....	1,189	2,853	1,960	37,002	
		Total	272	15	300	170	....	2,468	3,380	3,947	70,346	
Kelowna	4,911	1-5 years	.....	.....	56	53	.....	460	467	488	22,553	
		5-10 "	259	219	137	835	230	4,237	3,165	9,876	260,209	
		Over 10	50	453	451	196	108	1,695	184	498	31,860	
		Total	309	672	644	1,084	338	6,392	3,816	10,862	314,622	
Westbank	710	1-5 years	.....	.....	.....	75	30	30	150	.....	6,521	
		5-10 "	20	.....	.....	180	287	177	309	235	11,356	
		Over 10	125	74	.....	74	10	1,118	291	894	13,844	
		Total	145	74	.....	329	327	1,325	750	1,129	31,721	
Peachland	561	1-5 years	12	.....	.....	54	35	104	85	52	5,032	SOUTHERN OKANAGAN
		5-10 "	48	25	155	42	27	725	343	466	13,799	
		Over 10	112	275	84	48	151	1,313	136	316	9,556	
		Total	172	300	239	144	213	2,142	564	834	28,387	
Summerland	2,435	1-5 years	.....	100	.....	52	.....	41	282	58	13,806	
		5-10 "	34	.....	260	23	14	466	499	1,144	39,231	
		Over 10	1,073	370	91	695	399	5,081	557	701	51,051	
		Total	1,107	470	351	770	413	5,588	1,338	1,903	104,088	
Naramata	538	1-5 years	.....	.....	.....	.....	.....	14	.....	10	2,779	
		5-10 "	.....	.....	95	4	2	203	602	847	16,984	
		Over 10	.....	.....	.....	51	4	503	35	97	13,675	
		Total	.....	.....	95	55	6	720	637	954	33,438	
Penticton	2,144	1-5 years	.....	.....	.....	150	8	2	.....	18	13,231	
		5-10 "	393	20	.....	130	73	551	177	562	49,319	
		Over 10	562	23	.....	164	94	488	156	287	38,213	
		Total	955	43	.....	444	175	1,041	333	867	100,763	
Keremeos	688	1-5 years	.....	.....	.....	225	.....	105	.....	.....	11,055	
		5-10 "	.....	.....	460	.....	75	427	.....	.....	16,872	
		Over 10	.....	240	25	25	134	1,897	.....	.....	9,216	
		Total	.....	240	485	250	209	2,429	.....	.....	37,143	
Total No. Trees	.....	1-5 years	12	150	181	639	323	2,586	3,132	1,858	136,836	
Total No. Trees	.....	5-10 "	874	611	1,683	1,304	1,164	10,396	9,347	21,007	582,553	
Total No. Trees	.....	Over 10	2,542	2,654	1,411	1,303	1,320	24,002	9,919	15,075	384,161	
Total Acreage	19,991	Total Trees	3,428	3,415	3,275	3,246	2,807	36,983	22,398	37,940	1,103,550	

EXHIBIT No. 200A—*Continued.*

ORCHARD SURVEY OF THE OKANAGAN HORTICULTURAL DISTRICT, 1920

(The Okanagan and Similkameen Valleys and Points on Main Line of the C.P.R. east from North Bend)

HORTICULTURAL BRANCH, BRITISH COLUMBIA DEPARTMENT OF AGRICULTURE

OFFICE OF DISTRICT HORTICULTURIST, VERNON, B.C.

Districts	Total Acreage of all Fruits	Ages	Pears: Flemish Beauty	Bartlett	B. D'Anjou	Clapps Favourite	Winter Nelis	Comice	Other Varieties	Total Pears	
C.P.R. Main Line Points excepting Salmon Arm	558	1-5 years	.....	.....	.....	.....	.....	.....	.....	.....	NORTHERN OKANAGAN
		5-10 "	10	10	60	.....	.....	.....	77	157	
		Over 10	415	10	35	14	.....	.....	5	479	
		Total	425	20	95	14	.....	.....	82	636	
Salmon Arm	1,120	1-5 years	219	55	166	52	.....	.....	55	547	
		5-10 "	91	144	291	42	.....	.....	16	584	
		Over 10	64	108	113	21	.....	.....	106	412	
		Total	374	307	570	115	.....	.....	177	1,543	
Armstrong and Enderby	208	1-5 years	4	3	.....	3	.....	.....	3	13	
		5-10 "	100	1	.....	3	.....	.....	169	273	
		Over 10	8	8	.....	.....	.....	.....	.....	16	
		Total	112	12	.....	6	.....	.....	172	302	
Vernon and Oyama	4,828	1-5 years	1,195	5	550	16	.....	.....	155	1,921	
		5-10 "	1,629	508	715	1,051	.....	.....	25	3,928	
		Over 10	2,265	74	107	805	.....	.....	176	3,427	
		Total	5,089	587	1,372	1,872	.....	.....	356	9,276	
Okanagan Centre and Duck Lake.	1,290	1-5 years	150	150	.....	.....	.....	.....	100	400	
		5-10 "	94	53	80	.....	130	.....	800	1,177	
		Over 10	.....	8	.....	.....	.....	.....	1,717	1,725	
		Total	244	211	80	.....	130	.....	2,637	3,302	
Kelowna	4,911	1-5 years	199	46	262	.....	.....	4	30	541	SOUTHERN OKANAGAN
		5-10 "	3,701	5,096	5,331	550	691	1,432	1,388	18,189	
		Over 10	770	1,120	952	58	284	558	686	4,428	
		Total	4,670	6,262	6,545	608	975	1,994	2,104	23,158	
Westbank	710	1-5 years	95	40	3	.....	.....	.....	.....	138	
		5-10 "	156	228	115	.....	10	.....	37	546	
		Over 10	280	588	101	.....	30	.....	293	1,292	
		Total	531	856	219	.....	40	.....	330	1,976	
Peachland	561	1-5 years	12	31	2	.....	.....	.....	26	71	
		5-10 "	22	60	24	30	6	.....	86	228	
		Over 10	109	147	57	43	8	.....	242	606	
		Total	143	238	83	73	14	.....	354	905	
Summerland	2,435	1-5 years	333	202	56	40	.....	.....	30	661	
		5-10 "	256	306	70	67	5	.....	186	890	
		Over 10	925	1,333	224	211	76	.....	1,072	3,841	
		Total	1,514	1,841	350	318	81	.....	1,288	5,392	
Naramata	538	1-5 years	158	66	50	.....	.....	.....	.....	274	
		5-10 "	219	428	225	23	16	.....	97	1,008	
		Over 10	212	230	71	65	15	.....	113	706	
		Total	589	724	346	88	31	.....	210	1,988	
Penticton	2,144	1-5 years	1,110	2,418	546	132	76	.....	353	4,635	
		5-10 "	1,819	1,511	1,346	312	160	.....	655	5,623	
		Over 10	186	619	114	67	56	.....	206	1,248	
		Total	3,115	4,548	2,006	331	292	.....	1,214	11,506	
Keremeos	688	1-5 years	22	69	34	.....	.....	.....	10	135	
		5-10 "	133	238	50	60	20	.....	78	579	
		Over 10	155	180	461	.....	20	.....	305	1,121	
		Total	310	487	545	60	40	.....	393	1,835	
Total No. Trees	.....	1-5 years	3,497	3,085	1,669	243	76	4	762	9,336	
Total No. Trees	.....	5-10 "	8,230	8,583	8,307	1,958	1,036	1,432	3,634	33,182	
Total No. Trees	.....	Over 10	5,389	4,425	2,235	1,284	489	558	4,921	19,301	
Total Acreage	1,991	Total Trees	17,116	16,093	12,211	3,485	1,603	1,994	9,317	61,819	

NOTE.—C.P.R. Main Line Points include Lytton, Spence's Bridge, Walhachin, Kamloops, Chase and Sorrento. Westbank includes Glenrosa, Gellatly, and that territory lying North from the Ferry Landing on the West shore of Okanagan Lake.

APPENDIX No. 3

EXHIBIT No. 200A—*Continued.*

ORCHARD SURVEY OF THE OKANAGAN HORTICULTURAL DISTRICT, 1920

(The Okanagan and Similkameen Valleys and Points on Main Line of the C.P.R. east from North Bend)

HORTICULTURAL BRANCH, BRITISH COLUMBIA DEPARTMENT OF AGRICULTURE

OFFICE OF DISTRICT HORTICULTURIST, VERNON, B.C.

Districts	Total Acreage of all Fruits	Ages	Plums: Ponds Seedling	Peach Plum	Yellow Egg	Bradshaw	Burbank	Green Gage	Other Varieties	Total Plums	Prunes—Total	
C.P.R. Maine Line Points excepting Salmon Arm.	558	1-5 Years										NORTHERN OKANAGAN
		5-10 "				30			32	32		
		Over 10								30		
		Total				30			32	62		
Salmon Arm	1,120	1-5 Years	28	30		20		23	157	258	134	
		5-10 "	125	44	71	58		3	297	598	448	
		Over 10	60	5	8	59		2	142	276	396	
		Total	213	79	79	137		28	596	1,132	978	
Armstrong and Enderby.	208	1-5 Years			1				2	3	16	
		5-10 "	60	50	45	13			92	260	1,646	
		Over 10		30					60	90	10	
		Total	60	80	46	13			154	353	1,672	
Vernon and Oyama	4,828	1-5 Years	146	170	115				62	493	513	
		5-10 "	429	196	231	10		175	225	1,266	7,193	
		Over 10	2,412	1,065	887			107	879	5,350	12,871	
		Total	2,987	1,431	1,233	10		282	1,166	7,109	20,577	
Okanagan Centre and Duck Lake.	1,290	1-5 Years							47	47	340	
		5-10 "		80					88	168	3,053	
		Over 10		10					60	70	1,534	
		Total		90					195	285	4,927	
Kelowna	4,911	1-5 Years	2	3			4			9	188	
		5-10 "	892	764	1	380	176		460	2,673	8,423	
		Over 10	264	308	65	180	197	54	349	1,417	1,758	
		Total	1,158	1,075	66	560	377	54	809	4,099	10,369	
Westbank	710	1-5 Years									35	
		5-10 "	8	49		22	350	12	311	752	450	
		Over 10	39	64			19	82		204	474	
		Total	47	113		22	369	94	311	956	959	
Peachland	561	1-5 Years		9			6		13	28	36	SOUTHERN OKANAGAN
		5-10 "	261	104	71	15	22		200	673	385	
		Over 10	43	55	39	99	8		372	616	155	
		Total	304	168	110	114	36		585	1,317	576	
Summerland	2,435	1-5 Years		62		122	42	210	226	662	266	
		5-10 "	14	386	10	66	65	5	85	631	516	
		Over 10	177	505	267	280	210	109	464	2,012	736	
		Total	191	953	277	468	317	324	775	3,305	1,518	
Naramata	538	1-5 Years							6	6	6	
		5-10 "	128	38	3	10	44		161	384	206	
		Over 10	44	60	42	4	147		211	508	141	
		Total	172	98	45	14	191		378	898	353	
Penticton	2,144	1-5 Years	25	61	12	26	25	59	67	275	589	
		5-10 "	43	562	63	31	147	149	270	1,265	834	
		Over 10	29	290	5	40	50	30	99	543	1,257	
		Total	97	913	80	97	222	238	436	2,083	2,680	
Keremeos	688	1-5 Years							45	45	47	
		5-10 "	20			20			100	140	157	
		Over 10	3	15		52			127	197	127	
		Total	23	15		72			272	382	331	
Total No. Trees		1-5 Years	201	335	128	168	77	292	625	1,826	2,170	
Total No. Trees		5-10 "	1,980	2,273	495	625	804	344	2,321	8,842	23,311	
Total No. Trees		Over 10	3,071	2,407	1,313	744	631	384	2,763	11,313	19,459	
Total Acreage	19,991	Total Trees	5,252	5,015	1,936	1,537	1,512	1,020	5,709	21,981	44,940	

NOTE.—C.P.R. Main Line Points include Lytton, Spence's Bridge, Walhachin, Kamloops, Chase and Sorrento Westbank includes Glenrosa, Gellatly, and that territory lying North from the Ferry Landing on the West shore of Okanagan Lake.

EXHIBIT No. 200A—*Continued.*

ORCHARD SURVEY OF THE OKANAGAN HORTICULTURAL DISTRICT, 1920

(The Okanagan and Similkameen Valleys and Points on Main Line of the C.P.R. east from North Bend)

HORTICULTURAL BRANCH, BRITISH COLUMBIA DEPARTMENT OF AGRICULTURE

OFFICE OF DISTRICT HORTICULTURIST, VERNON, B.C.

			Cherries							Peaches					
Districts	Total Acreage of all Fruits	Ages	Bing	Lambert	Royal Anne	Other Sweets	Total Sweets	Sours	Apricots—Total	Elbertas	Crawford	Triumphs	Yellow St. John	Other Varieties	Peaches—Total
C.P.R. Main Line Points excepting Salmon Arm.	558	1-5 Years													
		5-10 "				20	20	17							
		Over 10													
		Total				20	20	17							
Salmon Arm	1,120	1-5 Years				12	12	418						23	23
		5-10 "				115	115	1,533							
		Over 10				7	7	67	73						
		Total				134	134	2,018	73					23	23
Armstrong and Enderby.	208	1-5 Years						81							
		5-10 "				150	150	172	5					5	5
		Over 10						35							
		Total				150	150	288	5					5	5
Vernon and Oyama.	4,828	1-5 Years				33	33	58	40					3	3
		5-10 "				222	222	233						24	24
		Over 10				328	328	1,994	180					525	525
		Total				583	583	2,285	220					552	552
Okanagan Centre and Duck Lake	1,290	1-5 Years							15					30	30
		5-10 "				119	119	137	226					75	75
		Over 10						113	62					35	35
		Total				119	119	250	303					140	140
Kelowna	4,911	1-5 Years	4	4		4	12	60							
		5-10 "	1,680	1,604	927	3,241	7,452	859	211					308	308
		Over 10	338	312	334	259	1,243	1,149		25	25			84	134
		Total	2,022	1,920	1,261	3,504	8,707	2,068	211	25	25			392	442
Westbank	710	1-5 Years	40				40		10	60					60
		5-10 "	233	115	263	23	634	62	734	88	354	242		436	1,120
		Over 10	620	200	314	70	1,204	373	730	647	512	324		326	1,809
		Total	893	315	577	93	1,878	435	1,474	795	866	566		762	2,989
Peachland	561	1-5 Years	8	2	2	18	30	4	429	300	300	302	300	3	1,205
		5-10 "	104	121	153	183	561	189	39	190	157	215	82	422	1,066
		Over 10	234	161	222	562	1,179	524	192	791	1,260	763	659	648	4,121
		Total	346	284	377	763	1,770	717	660	1,281	1,717	1,280	1,041	1,073	6,392
Summerland	2,435	1-5 Years	171	31			202	22	2,306	160				155	315
		5-10 "	437	292	115	100	944	47	1,682	254	51	24		201	530
		Over 10	626	331	809	750	2,516	428	7,611	2,063	875	877	322	1,820	5,957
		Total	1,234	654	924	850	3,662	497	11,599	2,477	926	901	322	2,176	6,802
Naramata	538	1-5 Years	115	30	21		166		1,858					62	62
		5-10 "	149	152	85	82	468	32	1,677	289	170	182	273	284	1,198
		Over 10	257	147	201	159	764	44	2,012	980	1,055	966	919	608	4,528
		Total	521	329	307	241	1,398	76	5,547	1,269	1,225	1,148	1,192	954	5,788
Penticton	2,144	1-5 Years	493	146	10	33	682	23	5,084	380	200	28	37	70	715
		5-10 "	706	454	642	433	2,235	166	4,572	4,202	2,981	1,145	971	1,392	10,691
		Over 10	761	343	440	251	1,795	209	1,820	5,203	2,161	414	596	1,007	9,381
		Total	1,960	943	1,092	717	4,712	398	11,476	9,785	5,342	1,587	1,604	2,469	20,787
Keremeos	688	1-5 Years	55	5	40	5	105		21	39	49	35	5	170	298
		5-10 "	137	95	35	35	302		197	538	700	140	162	190	1,730
		Over 10	34	25	20	10	89	42	305	445	500	190	50	245	1,430
		Total	226	125	95	50	496	42	423	1,022	1,249	365	217	605	3,458
Total No. Trees..		1-5 Years	886	218	73	105	1,282	666	9,763	939	549	365	342	516	2,711
Total No. Trees..		5-10 "	3,446	2,833	2,220	4,723	13,222	3,447	9,343	5,561	4,413	1,948	1,488	3,337	16,747
Total No. Trees..		Over 10	2,870	1,519	2,340	2,396	9,125	4,978	12,885	10,154	6,388	3,534	2,546	5,298	27,920
Total Acreage...	19,991	Total Trees	7,202	4,570	4,633	7,224	23,629	9,091	31,991	16,654	11,350	5,847	4,376	9,151	47,378

NORTHERN OKANAGAN

SOUTHERN OKANAGAN

NOTE.—C.P.R. Main Line Points include Lytton, Spence's Bridge, Walbachin, Kamloops, Chase and Sorrento. Westbank includes Glenrosa, Gellatly, and that territory lying North from the Ferry Landing on the West shore of Okanagan Lake.

EXHIBIT No. 200A—*Continued.*

ORCHARD SURVEY OF THE BOUNDARY DISTRICT, 1920

Total Acreage, 1,761½ Acres.

APPLES

Ages	Wealthy	Jonathan	Wagener	McIntosh	Northern Spy	Winesap	Salome	Yellow Transparent	Duchess	Snow	Delicious	Astrachan	Spitzenberg	Hubbardson	Orenco	Ben Davis	Grimes' Golden	Arkansas Black	Yellow Newtown	Hyslop	Transcendent	Other Apples	Total Apples
1–5 years	2,020	112	103	1,868	250	95	.....	5	6	.....	313	.....	.....	20	.....	200	.....	.....	.....	24	38	170	5,224
6–10 years	4,186	4,547	4,525	4,284	475	854	6	44	89	9	892	3	60	..	6	21	434	..	625	203	280	911	22,454
Over 10	6,189	9,394	15,077	8,346	2,347	828	1,907	441	845	1,664	2,089	392	1,040	307	313	509	700	602	501	249	611	5,970	60,321
Total	12,395	14,053	19,705	14,498	3,072	1,777	1,913	490	940	1,673	3,294	395	1,100	327	319	730	1,134	602	1,126	476	929	7,051	87,999

Ages	Pears						Plums							Cherries			Peaches	Apricots
	Flemish Beauty	Bartlett	B d'Anjou	Clapp's Favorite	Other Varieties	Total Pears	Burbank	Italian Prune	Green gage	Peach	Bradshaw	Other Varieties	Total Plums	Sour	Sweet	Total Cherries		
1–5 years	499	12	5	.....	6	522	.....	85	.....	8	.....	5	98	10	3	13	9	.....
6–10 years	294	129	36	.....	77	536	35	614	11	29	13	43	745	97	41	138	.....	18
Over 10	2,404	1,165	530	321	521	4,941	466	7,293	68	1,817	135	367	10,146	1,350	466	1,816	107	56
Total	3,197	1,306	571	321	604	5,999	501	7,992	79	1,854	148	415	10,989	1,457	510	1,967	116	74

EXHIBIT No. 200A—*Continued.*

ORCHARD SURVEY OF THE CRESTON DISTRICT, 1920

APPLES

Total Acreage, 1,198½ Acres.

Ages	Wealthy	Jonathan	Wagener	McIntosh	Northern Spy	Winesap	Duchess	Spitzenberg	Delicious	Baldwin	Grimes' Golden	Gravenstein	Yellow Transparent	Greening	Winter Banana	King	Cox's Orange	Ontario	Rome Beauty	Crab	Other Apples	Total Apples
1–5 years	771	256	798	672	130	3	. .	.	1,297	11	5	3	82	.	190	5	53	112	.	38	79	4,505
6–10 years	8,506	4,333	25,817	10,537	3,551	469	505	1,548	4,870	330	450	1,115	201	559	1,010	1,179	1,117	1,342	1,731	974	6,308	76,452
Over 10	3,823	2,702	1,210	1,068	1,530	416	199	1,044	197	363	93	105	254	366	99	342	247	198	580	167	2,141	17,144
Total	13,100	7,291	27,825	12,277	5,211	888	704	2,592	6,364	704	548	1,223	537	925	1,299	1,526	1,417	1,652	2,311	1,179	8,528	98,101

—	Pears	Plums and Prunes	Peaches	Apricots	Cherries		Total Cherries
					Sour	Sweet	
1–5 years	1,387	178	44	23	48	556	604
6–10 years	3,437	2,245	286	71	458	1,083	1,541
Over 10	1,054	826	141	36	115	259	374
	5,878	3,249	451	130	621	1,898	2,519

ORCHARD SURVEY MAIN KOOTENAY LAKE & DUNCAN LAKE, 1921

Total Acreage 586¼ ac.

Age	Apples																	Cherries			Pears				Plums
	Wealthy	Baldwin	Wagener	Cox's Orange	Craven stein	Jonathan	N. Spy	Delicious	Spitzen burg	McIntosh	Yellow Newtown	King	Ontario	Winter Banana	Crab	Other Apples	Total Apples	Cherries Sweet	Cherries Sour	Total Cherries	Bartlett	Flemish Beauty	Other Pears	Total Pears	
1–5 years	15	.....	51	70	68	56	....	156	. ..	14	.....	18	161	.....	7	2	618	216	10	226	17	.....	6	23	21
6–10 years	1,819	481	6,383	337	3,212	974	2,042	94	70	590	.	461	696	25	8	180	17,372	1,112	117	1,229	56	5	36	99	149
Over 10 years	2,035	471	3,581	2,349	2,764	3,487	1,244	73	629	635	260	1,085	670	326	255	1,914	21,778	1,812	387	2,199	137	102	211	450	383
Totals	3,869	952	10,015	2,756	6,044	4,517	3,286	323	699	1,239	260	1,564	1,527	351	270	2,096	39,768	3,140	514	3,654	210	107	255	572	553

EXHIBIT No. 200A—*Continued.*

ORCHARD SURVEY WEST ARM KOOTENAY LAKE, N. SIDE TO QUEEN'S BAY—1921

Total Acreage 556 ac.

Age	Apples																	Cherries			Pears				Plums	Peaches
	Wealthy	Baldwin	N. Spy	Rome Beauty	Wagener	Gravenstein	McIntosh	Spitzenberg	Jonathan	Ontario	Delicious	Kootenay Gem	Yellow Newtown	King	Cox's Orange	Crab	Other Apples	Total Apples	Cherries Sweet	Cherries Sour	Total Cherries	Bartlett	Flemish Beauty	Other Pears	Total Pears		
1–5 years	.....	....	21	....	290	136	120	....	.....	.....	469	.....	.....	.....	156	.....	7	1,199	215	2	217	22	.....	.....	22	21	6
6–10 years	325	....	825	280	4,890	486	411	....	1,377	10	80	.....	.....	.....	864	1	347	9,904	274	90	314	71	.....	15	86	60	22
Over 10 years	3,695	641	2,401	390	4,676	1,609	1,321	958	2,081	455	48	505	1,316	319	1,773	90	3,406	25,686	1,902	202	2,104	243	102	197	542	501	301
Totals	4,020	641	3,247	670	9,866	2,231	1,852	958	3,458	465	597	505	1,316	319	2,793	91	3,760	36,789	2,391	294	2,685	336	102	212	650	662	329

ORCHARD SURVEY WEST ARM KOOTENAY LAKE, SOUTH SIDE—1921

Total Acreage 248½ ac.

Age	Apples														Cherries			Pears			Plums	Peaches
	Wealthy	Yellow Newtown	N. Spy	Ontario	Wagener	Gravenstein	McIntosh	Jonathan	Cox's Orange	Delicious	Spitzenberg	Duchess	Crab	Other Apples	Total Apples	Cherries Sweet	Cherries Sour	Total Cherries	Bartlett	Other Pears	Total Pears		
1–5 years	.....	.....	.....	.....	360	.....	3	.....	.....	73	.....	.....	.....	.....	436	12	1	13	8	3	11	6	..
6–10 years	746	205	504	479	3,933	405	2,188	970	421	92	175	5	119	1,409	11,651	194	34	228	46	60	104	98	30
Over 10 years	1,156	30	342	.	1,433	60	725	834	205	3	50	204	164	327	5,553	528	665	1,193	226	227	453	671	15
Totals	1,902	255	846	479	5,726	465	2,916	1,804	626	168	225	209	283	1,736	17,640	734	700	1,434	290	280	570	775	45

EXHIBIT No. 200A—*Continued.*

ORCHARD SURVEY ARROW LAKES, INCLUDING EAST ROBSON DISTRICT—1921

Total Acreage 1,101½ ac.

Age	Apples																			Cherries			Pears					
	Wealthy	Baldwin	N. Spy	Wagener	Gravenstein	Ontario	McIntosh	Jonathan	Cox's Orange	Winter Banana	Delicious	King	Rome Beauty	Crimes Golden	Yellow Newtown	Spitzenberg	Crab	Yandlerpool Red	Other Apples	Total Apples	Cherries Sweet	Cherries Sour	Total Cherries	Plums	Peaches	Bartlett	Flemish Beauty	Other Pears	Total Pears
1–5 yrs.	251	2	15	365	44	40	127	125	....	66	449	....	.....	15	20	.....	9	....	309	1,837	222	21	243	147	33	33	15	28	76
6–10 yrs	3,290	130	5,247	13,549	2,193	664	2,487	5,473	444	422	447	30	231	497	155	222	211	429	2,200	38,330	894	441	1,335	1,066	494	373	158	198	729
Over 10 yrs	3,964	436	3,183	4,208	1,641	278	1,625	2,922	178	246	59	200	1,10	36	729	1,129	227	..	2,684	24,853	964	328	1,292	1,478	714	294	191	228	713
Totals.	7,505	568	8,445	18,122	3,878	982	4,239	8,520	622	734	955	230	1,339	548	904	1,351	447	429	5,202	65,020	2,080	790	2,870	2,691	1,241	700	364	454	1,518

ORCHARD SURVEY NEW DENVER & SLOCAN VALLEY—1921

Total Acreage 302½ ac.

Age	Apples																Cherries			Pears				
	Wagener	Wealthy	McIntosh	Yellow Transpar.	Jonathan	Gravenstein	N. Spy	King	Orenco	Ontario	Rome Beauty	Spitzenberg	Delicious	Crab	Other Apples	Total Apples	Cherries Sweet	Cherries Sour	Total Cherries	Bartlett	Other Pears	Total Pears	Plums	Peaches
1–5 yrs	556	322	250	8	204	25	.....	.....	.....	30	.....	.....	80	6	87	1,568	67	3	70	20	20	40	24	.....
6–10 yrs	3,623	951	640	22	1,866	72	805	150	...	144	512	...	195	119	1,189	10,388	198	71	269	76	105	181	166	7
Over 10 yrs	1,340	1,402	341	125	578	40	222	147	180	332	80	273	8	12	911	5,991	163	25	388	50	45	95	128	....
Totals	5,519	2,675	1,231	155	2,648	237	1,027	297	180	506	592	273	283	137	2,187	17,947	428	99	727	146	170	316	318	7

EXHIBIT No. 200A—*Concluded.*

KOOTENAY RIVER—NELSON WEST TO BRILLANT & COLUMBIA RIVER TO WANETA

Total Acreage 2,275½ ac.

Age	Apples																						Plums	Prunes
	Wealthy	Jonathan	Wagener	McIntosh	King	Cox's Orange	Gravenstein	N. Spy	Winter Banana	Crimes Golden	Spitzenberg	Yellow Newtown	Duchess	Ontario	Delicious	Yellow Transparent	Baldwin	Alexander	Rome Beauty	Winesap	Crab	Other Apples	Total Apples		
1–5 yrs	9	6	141	147	...	2	45	.....	.....	.....	.....	.....	...	200	77	.....	.....	.....	.....	.....	1	10	638	32	4
6–10 yrs	4,825	5,291	12,188	3,998	805	721	655	10,462	612	461	2,848	55	...	1,554	592	1,200	506	.....	761	550	140	12,639	60,864	5,367	12,608
Over 10 yrs	5,291	5,971	8,094	4,715	571	772	1,031	3,442	922	94	1,744	642	1,672	1,005	864	388	1,299	2,140	1,022	1,729	92	7,890	51,391	5,232	7,484
Totals	10,125	11,268	20,423	8,860	1,377	1,495	1,731	13,904	1,534	555	4,592	697	1,672	2,760	1,533	1,588	1,805	2,140	1,783	2,279	233	20,539	112,893	10,631	20,096

Age	Cherries			Pears			
	Cherries Sweet	Cherries Sour	Total Cherries	Bartlett	Flemish Beauty	Other Pears	Total Pears
1–5 yrs	77	.....	77	4	.....	18	22
6–10 yrs	6,336	1,911	8,247	2,011	6	4,273	6,290
Over 10 yrs	3,866	1,798	5,664	891	6,044	1,596	8,531
Totals	10,279	3,709	13,988	2,903	6,050	5,887	14,843

FRUITVALE AND SOUTH KOOTENAY

Total Acreage 123½ ac.

Age	Apples										Cherries			Plums	Pears
	Wealthy	Wagener	Jonathan	McIntosh	N. Spy	Ontario	Rome Beauty	Delicious	Other Apples	Total Apples	Cherries Sweet	Cherries Sour	Total Cherries		
1–5 yrs	18	38	.....	40	.....	.....	.....	.....	.....	96	8	5	13	1	7
6–10 yrs	344	655	632	455	297	61	73	75	330	2,922	43	7	50	91	55
Over 10 yrs	660	1,195	897	242	338	280	114	26	395	4,137	55	.....	55	114	47
Totals	1,012	1,888	1,529	737	635	341	187	101	725	7,155	106	12	118	205	109

EXHIBIT 200B

ACREAGE IN SMALL FRUITS—1922

B.C. Small Fruits Survey.

District	Rasps.	Blaks.	Logans	Straws	Red Currants	Black Currants	Goose Berries	Rhubarb	Total
Fraser Valley...	1747	253¾	271⅝	1807⅝	23⅜	70½	37⅔	96⅛	4307¾
Vancouver Isld.	105⅞	16⅝	197⅝	666⅛	4½	27⅛	10⅝	5⅘	1034⅞
Kootenay and Boundary.....	85½	21⅜	⅞	324⅜	12⅜	15½	28	6⅕	495⅛
North O.K.....	58⅓	33⅞	¼	43½	¾	19⅛	6	½	162⅚
Salmon Arm....	108¾	3	35¾	43¼	¼	4¾	3¼	2¼	201¼
Tervace.. .	. .			50			.	. . .	50
Total.....	2105⅙	328⅛	505⅝	2935⅔	42⅛	138⅘	85⅝	110⅛	6252

EXHIBIT No. 200F

TABLE No. 1

AMOUNT AND DISTRIBUTION OF INVESTMENT ON EIGHTY-THREE FRUIT FARMS

1921 SURVEY

Number of Farms	Capital per Farm	Average Total Capital	Capital Invested In											
			Land		Dwellings		Buildings		Machinery		Stock		Feed Supplies	
			Value	Per cent of total	Value	Per cent of total	Value	Per cent of total	Value	Per cent of total	Value	Per cent of total	Value	Per cent of total
		$	$		$		$		$		$		$ cts.	
9	Up to $8,000	5,623	4,332	77	983	17	106	2	163	3	89	1	.....	
14	$ 8,001 to $12,000	9,906	7,930	80	1,228	12	255	2	486	5	132	1	1 28	
16	12,001 to 16,000	13,757	10,764	78	1,888	14	323	2	587	4	222	1	6 55	
12	16,001 to 20,000	17,947	13,186	74	2,259	12	993	5	1,085	6	370	2	37 70	
9	20,001 to 25,000	22,430	17,154	77	3,255	15	358	1	1,373	6	225	1	9 00	
7	25,001 to 30,000	27,048	21,579	79	3,200	12	800	3	967	4	329	1	27 57	
15	30,001 and over	39,640	31,138	79	3,927	10	2,175	5	2,082	5	314	1	6 53	

TABLE No. 2

RELATION OF TOTAL INVESTMENT TO PROFITS

1921 FRUIT SURVEY

Number of Farms	Capital per Farm	Average Total Investment	Orchard Acres per Farm	Total Investment per Acre	Average Farm Income	Perquisities including house and Farm Products	Interest on Investment at 7 p.c.	Labour Income	Per cent Profit on Investment
		$ cts.		$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	p.c.
9	Up to $8,000	5,623 00	6	937 17	+ 10 45	168 32	393 61	−214 84	−3·8
14	$ 8,001 to $12,000	9,906 00	9	1,100 67	+ 282 81	234 15	693 42	−176 50	−1·8
16	$12,001 to $16,000	13,757 00	11	1,250 63	+ 455 92	324 42	962 99	−182 65	−1·3
12	$16,001 to $20,000	17,936 00	13	1,380 00	+ 361 54	440 75	1,255 52	−450 23	−2·5
9	$20,001 to $25,000	22,430 00	17	1,320 00	+ 500 83	533 25	1,570 10	−536 02	−2·4
6	$25,001 to $30,000	26,645 00	20	1,332 00	+ 716 13	421 70	1,865 15	−727 32	−2·7
15	$30,001 and over	39,640 00	27	1,468 15	+1,343 74	565 01	2,774 80	−866 05	−2·2

NOTE.—Table II is similar to Table III except farms are divided into seven groups, according to capital.

EXHIBIT No. 200F—*Continued.*

TABLE No. 3

RELATION OF THE TOTAL INVESTMENT TO PROFIT

1921 FRUIT SURVEY

Number of Farms	Capital Per Farm	Average Total Investment	Average Orchard Acres Per Farm	Total Investment Per Acre	Perquisites (Including House and Farm Products)	Farm Income Including Perquisites)	Interest on Investment at 7%	Labour Income	Per Cent Profit on Investment
				$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	%
23	Up to $12,000	8,230	8	1,930 00	208 40	+384 80	576 10	−191 30	− 2·3
28	$12,001—$20,000	15,548	12	1,295 66	375 37	+792 13	1,088 36	−296 23	− 1·9
15	20,001— 30,000	24,109	18	1,339 39	488 63	+836 87	1,687 63	−850 76	− 3·5
15	30,001—and Over	39,640	27	1,468 15	565 01	+1,908 75	2,774 80	−866 05	− 2·2

NOTE:—Table II is similar to Table III except farms are divided into *Seven* groups according to capital.

EXHIBIT No. 200F—*Continued.*

TABLE No. 4

THE RELATION OF *YIELDS* and *CAPITAL INVESTED* TO *LABOUR INCOME*

1921 FRUIT SURVEY

Number of Farms	Average				Capital Invested				Total Capital Invested
	Total Acres	Orchard Acres	Apple Bearing Acres	Other Fruit Acres	In Land	In Buildings	In Equipment	In Stock	
					$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
38	1029	548	367	93	489,783 00	22,486 00	31,700 00	10,455 00	554,424 00
Average Farm	27	14	9·6	2·4	12,888 06	592 00	834 00	275 00	14,590 00
									Per orchard acre $1,042 00
17	478	339	227	54	356,616 00	17,015 00	19,701 00	3,830 00	397,162 00
Average Farm	28	20	13·4	3·2	20,977 00	1,001 00	1,159 00	225 00	23,362 00
									Per orchard acre $1,168 00
18	323	259	200	34	278,692 00	12,750 00	18,100 00	3,826 00	313,368 00
Average Farm	18	14	12	1·9	15,483 00	708 00	1,006 00	212 00	17,407 00
									Per orchard acre $,1243 00
9	180	125	94	25	139,995 00	14,825 00	11,805 00	1,619 00	168,244 00
Average Farm	20	14	10·5	2·8	15,555 00	1,625 00	1,311 00	180 00	18,693 00
									Per orchard acre $1,335 00

EXHIBIT No. 200F—*Continued.*

TABLE No. 4—*Concluded.*

THE RELATION OF *YIELDS* AND *CAPITAL INVESTED* TO *LABOUR INCOME*

1921—FRUIT SURVEY

Diversity in Apples	Production per acre in boxes	Average production per acre in boxes	Average Farm Net Revenue	Average Labour Income	Average Price Received per box	Average per cent net profit on investment
			$ cts.	$ cts.		$ cts.
59%	Up to 200...	138	−172 88	−1,000 35	69	−6·86
77%	201 to 300...	263	+803 05	− 618 80	78	−2·65
82%	301 to 400...	353	+741 85	+ 305 13	72	+1 75
77%	401 and up..	446	+1,487 50	+ 571 35	73	+3·05

APPENDIX No. 3

EXHIBIT No. 200F—*Concluded.*

TABLE No. 5

COST OF PRODUCING APPLES PER BOX—(1921 FRUIT SURVEY) ON FARMS WHERE 60% OF TOTAL RECEIPTS COME FROM APPLES (AVERAGE 80%) HOUSE AND PERQUISITES DEDUCTED

No. of Farms	Total yield of apples in boxes	Cost allowing				Per acre Yield
		No interest No wages	+Interest −No wages	−No interest +Wages	Interest and wages	
56	181,442	$87,632 83	$159,773 92	$134,835 79	$206,976 88	
Cost per box of apples		0 48	0 88	0 74	1.14	272 boxes
Profit or loss per Box on Average Net Price of 75c received per box		+0 27	−0 13	+0 01	−0 39	
Highest Cost per Box		$1 43	2 50	$2 03	3 10	
On Average price of 75c per box		−0 68	−1 75	$1 28	−2 35	107 boxes
Lowest Cost per Box		0 36	0 53	0 44	0 61	463 boxes
On Average price of 75c. per box		+0 39	+0 22	+0 31	+0 14	

EXHIBIT No. 206

Brief of Single Tax Association

To the Committee on Agricultural Conditions:

Nothing is settled till it is settled aright. To get any proper understanding of the farmers' conditions, we must look out the fundamental causes of their present drawbacks.

ECONOMIC PROGRESS

During the last hundred and fifty years more progress has been made in mechanical processes, than in the whole of the previous history of the world. Some of us can still remember the sickle, the flail, the hand loom and the other laborious methods of past days. In transportation, the rolling of iron, automatic machinery, photography, telegraphy, printing and numerous other methods, we can now accomplish a thousand-fold as much as our predecessors. It is a low estimate to say that industry to-day can produce twenty times as much as could be done a couple of centuries ago.

WHY NOT ALL RICH?

The question naturally arises, why is it that the economic condition of humanity as a whole is not correspondingly improved? Why is it that in spite of mechanical and other improvements, industry is still poor and a host of farmers are so overburdened with debt that they will be inevitably sold out from their farms.

UNEQUAL DEVELOPMENT

Every city has developed into millionaires and tramps, palaces and slums every ten years brings its flood of bankruptcies and its numerous sales of mortgaged farms.

Do not these facts show that there is something radically wrong in our economic adjustments. In order to solve this problem it is necessary to examine the two uses that are made of the natural resources of the country.

ABUNDANCE THE AIM OF INDUSTRY

In the cultivation of the soil, the application of the best fertilizers, the rotation of crops, working at the proper season, and the use of improved machinery, the farmer does his best to produce the greatest possible abundance That is the aim of industry everywhere. The wise producer tries to produce at the best time, in the best, cheapest and most expeditious manner and in the most suitable place. The result is that all these producers try to flood the market. All the industries thus strive to offer abundance for abundance, enrichment for enrichment. It is to this relationship of reciprocity of service, this flooding of the market, that gives us our prosperity and our civilization. Without it we would quickly lapse into barbarism and starvation.

I feel no hesitation in saying that this method of service for service is God's agency for the developing of a civilization.

TRANSIENT VALUES VS. PERMANENT VALUES

The city of Toronto has grown since 1800 till now it has upwards of half a million people. With this growth of population two conditions were bound to develop. First, industry used every device to make buildings and other commodities just as abundant and cheap as possible. On the other hand the land has been divided and subdivided, the amount available for each individual

has become less and less. With this increased scarcity the value has advanced and advanced, till a late report stated that the eighth of an acre in the best location had been sold at a million dollars. The report of the Assessor places the total value of the land at $430,000,000. The value of the wheat crop last year was nearly the same figure. What will be their values at the end of a year? The crop will be consumed, and will have to be renewed year after year to the end of time. Will that land value have to be renewed yearly by industry as the crops must be renewed? Not by any means. That value of the land will not only last year after year; but in all probability will grow greater and greater with every increase in population.

VALUES, INDIVIDUAL VS. COMMUNAL

Between these two values, namely the value of the land and the value of the products of industry there is an essential diametrical difference. The crop is the result of labour, the land value is not. The crop is transient in value, the land value is not. The growth of the crop means an increase in the abundance of wealth, the land value does not.

The value of the land is the result of increased scarcity and increased crowding of population.

EXCHANGE BENEFIT FOR BENEFIT

The farmer takes his goods to market and exchanges enrichment for enrichment. This is harmonious, and beneficent, the exchange making each party to the transaction richer. But in the case of land values the profit of the speculator means a loss to industry. It is not trade, it is tribute.

The separation and co-operation of humanity into different trades, and the exchange of products, is an essential factor for the development of our civilization, and an essential factor to our prosperity.

On the other hand the claim of the owner of the land, which manifests itself most emphatically in our large cities, enables him to increase his exaction generation after generation in greater and greater figures. The value of the favourite sites in Toronto has increased ten thousand-fold in the last hundred years. Thus the power of improverishment and extortion grows and grows carrying one to greater and greater fortune, and crushing another into greater and greater debt.

CHEAPNESS OF PRODUCTS VS. DEARNESS OF LAND

While ingenuity and industry have been striving to make goods cheaper and cheaper, increased population inevitably makes the land dearer and dearer. Consequently, the owners of the land have been growing richer and richer in a compound degree. While the land has become ten thousand times dearer, every dollar in the ten thousand can purchase more and more goods. It is the power we give to individuals to appropriate wealth without producing wealth, to approprite his neighbour's crops, that is the principal factor in separating society into rich and poor. It places one part of society beneath a debt that grows and grows, which continues year after year, generation after generation, and from which industry can by no device free itself, except by a change in the method of taxation.

The value of the land of Toronto has been estimated at about $25,000,000 yearly. This city has one sixteenth of the population of Canada. When we take in all the town sites, the farms, the mines, the water powers and other natural advantages, we may assume that the land may be estimated at $1,000 per head, which would amount in 1919 to about $8,500,000,000 or a yearly value at four per cent about $340,000,000.

THE BURDEN OF TAXATION

The following estimate has been made to show not only the amount of the taxes collected by the Federal Government, but also the amount of collateral taxes collected by other parties. The figures are taken from the Canada Year Book for 1921.

MANUFACTURES ADDITION

On page XXI, Year Book 1921, the amount of manufactures for 1919 is placed at	$3,520,731,589
From this is to be deducted the exports (Page 297)	571,498,678
Leaving	2,949,232,911
Deduct further 21 1/2 per cent for possible increase by tariff	649,232,911
Leaving net amount for home consumption on which the manufacturer may add the duty	$2,300,000,000

Dividing this by the amount of the dutiable imports gives a quotient of four. We are warranted therefore in assuming that the price added by the home manufacturers equalled four times the amount of the customs duties.

In addition to that the merchants who had to pay and collect the duties added their charges, the importers 20 per cent, the retailers $30 per cent making 50 per cent in all.

Because the taxes are collected on the imports, therefore, the value of the land, which comes because of the concentration of population, is appropriated by individuals, so that the amount they obtain in this manner, not by production, is an additional burden on the industrial classes. It has been estimated that the value of the lands, the mines, the water powers, and other natural advantages amounts to about $1,000 per head of the population. With a population of approximately 8,500,000 in 1919, the value of the lands, etc., would amount to $8,500,000,000. At 4 per cent the rental would amount to $340,000,000 yearly. These may be summarized as follows:—

Customs (page 659, Yr. Bk. 1921) for 1919	$ 147,169,188
Extra charge by Manufacturers	588,676,752
Added	735,845,940
Added by Merchants 50 per cent	367,922,920
Rent on natural opportunities	340,000,000
Total	$1,443,768,860

This shows that it requires nearly $10.00 to get one dollar into the public treasury.

The total burden is 17 per cent of the value of the land. If the yearly rental of the land were taken at four per cent it would realize $340,000,000, which is more than double the customs, and is less than one fourth the present burden.

By taking the value of the land we would save the tax payers more than $1,000,000,000 yearly. That is equivalent to $117.60 per head, or $588 per family of five.

WHO BEARS THE BURDENS?

Without the slightest effort on his part the owner of a well situated acre in any of our large cities can carry off a fortune yearly. Who pays these

enormous taxes and the national debts? The man who spends his life giving valuable service to maintain the prosperity of the country, or the man who is under no obligation to provide anything? Is it not evident that the tax now falls wholly on the industrial classes?

THE SURRENDER

With the enormous acreage of land still to be brought under cultivation it is inevitable that the agricultural products in future years will enormously increase. Our home market will by no means suffice to consume all that will be produced. The possibility is that three-fourths of the wheat crop will have to find a foreign market. So long as that continues the farmers will have to sell in competition with the world at free trade prices and then be compelled to buy in a protected market, with the price artificially raised in many cases fifty per cent. That means that when the imports came back to pay for the exports, often the customs and merchants will take one-half.

WHERE SHOULD TAXES BE PLACED?

In placing taxes we should never forget the social harmonies as contrasted to the antigonisms. With our taxation we can either bring men into the harmonious relationship that will induce every man to do his best for his fellows, or we may, by bad adjustments, divide humanity into toilers and spoilers. In fixing the method of taxation we should avoid with the utmost care the danger of punishing the beneficient, and encouraging the cupidity, which often gains sway over men to such a degree, that it becomes a mania to gain wealth by the spoilation degradation and impoverishment of honest industry.

We should never tax a man for honest industry. But we should most religiously impose the taxes where they will keep men from doing their fellows an injury.

Never will farming or any other industry receive its proper reward till the tariff has been wholly removed and the taxes placed on these values that are created, not by individual industry, but by the presence of the community, and if we are to have the maximum of prosperity and the enthronement of the equities of brotherhood, we must place the taxation so that every man must first do his fair share of the work of civilization before he can get the fair share of the rewards of civilization.

Signed on behalf of the

Single Tax Association.

W. A. DOUGLAS,
Secretary.

Toronto, 27th April 1922.

EXHIBIT No. 207

REGINA, May 10, 1923.

S. R. GORDON, Esq.,
Chief Clerk, Committee Enquiring into Agricultural Conditions.
Ottawa, Ont.

Dear Sir, I am enclosing a statement showing the average yield per acre of wheat in Saskatchewan from 1906 to 1922, (207A); also a statement estimating the number of bushels of wheat required to buy a binder, plow and seeder for the years 1913, 1912 and 1911, (207B).

As requested by the the Chairman of the Commission, I am enclosing a statement estimating the revenue and expenditure on an average half-section wheat farm in Saskatchewan in the year 1922; also a statement which shows a net profit of $59.20, (207C), a statement of a half-section in Crop District No. 3 showing a net profit of $601.60, (207D); also a statement with reference to Crop District No. 7 which shows a net loss of $1,024.40, (207E). You will note in preparing these estimates wages have been reduced somewhat from that of 1921. As I stated to the Committee a great effort was made to keep down the cost of production, and many men drove a team on the land and did their own work who had not done so for several years. I am enclosing a map indicating the crop districts by number, (207F, not printed); also a statement showing the average yield for each crop district for the year 1922, (207G).

With regard to the information asked for respecting municipal levies and collections, I am enclosing the attached statement, (207H). The 279 municipalities referred to are those of the 301 rural municipalities of the Province which have sent in their financial statements to this date.

I enclose statement in connection with Provincial Debt, (207I).

Yours sincerely,

C. M. HAMILTON,
Minister of Agriculture.

EXHIBIT No. 207A.

STATEMENT SHOWING THE AVERAGE YIELD PER ACRE OF SASKATCHEWAN WHEAT FROM 1906-22

1906	21·4	bushels
1907	13·5	"
1908	13·6	"
1909	22·1	"
1910	15·5	"
1911	18·5	"
1912	19.9	"
1913	19·5	"
1914	12·4	"
1915	25·2	"
1916	14·2	"
1917	14·2	"
1918	10·0	"
1919	8·5	"
1920	11·2	"
1921	14·8	"
1922	20·2	"

APPENDIX No. 3

EXHIBIT No. 207B

BUSHELS OF WHEAT REQUIRED TO BUY A BINDER, PLOW OR SEEDER

Season	Binder 8' complete	Plow 12" high lift	Seeder 20 D.D.	Price of Wheat	Bushels to buy B.	P.	S.
1913	$170.00	$87.00	$147.00	·64	266	136	230
1912	170.00	87.00	147.00	·56	304	156	263
1911	170.00	87.00	153.00	·58	302	150	264

EXHIBIT No. 207C

AVERAGE HALF SECTION WHEAT FARM 1922

Investment:—			
320 acres at $25	$ 8,000		
Buildings	2,000		
Stock & Implements	2,000		
		$12,000	
Mortgage	3,000		
Other indebteness	2,000		
		$5,000	
Interest 8 per cent			$400 00
Taxes			90 00
Allowance for food, clothing, fuel, etc			1,200 00
Labour and board—May— $50 wages $25 board. August— $75 wages $25 board			175 00
Horses, maintenance 8 mos at $60			480 00
Seed, wheat, 240 bus. at $1			240 00
Seed, oats, 80 bus. at 50 cents			40 00
Hail insurance, 200 acres at 60 cents			120 00
Twine, 400 lbs. at 14 cents			56 00
Threshing wheat, 3.240 bus. at 15 cents			486 00
Threshing oats, 2.820 bus. at 8 cents			225 00
			$3,512 60
Income:—			
160 acres wheat at 20.25 — 3,240 bu. at 85 cents			$2,754 00
80 acres oats at 35.25 — 2,820 bu. at 29 cents			817 80
			$3,571 80
Income	$3,571 80		
Expenditure	3,512 60		
Profit	$ 59 20		

EXHIBIT No. 207 D

AVERAGE HALF SECTION WHEAT FARM, 1922, IN SOUTH-CENTRAL SASKATCHEWAN.
CROP DISTRICT No. 3

Investment:—			
320 acres at $25	$ 8,000		
Buildings	2,000		
Stock & Implements	2,000		
		$12,000	
Mortgage	3,000		
Other indebteness	2,000		
		$5,000	
Interest 8 per cent			$400 00
Taxes			90 00
Allowance for food, clothing, fuel, etc			1,200 00
Horses, maintenance 8 mos at $60			480 00
Labour, seeding 1 month; harvest 1 month			125 00
Board for two months			50 00
Seed, wheat, 240 bus. at $1			240 00
Seed, oats, 80 bus. at 50 cents			40 00
Hail insurance, 200 acres at 60 cents			120 00
Twine, 480 lbs. at 14 cents			67 20
Threshing wheat, 3,880 bus. at 15 cents			582 00
Threshing oats, 3,320 bus. at 8 cents			265 00
			$3,659 20
Income:—			
160 acres wheat at 24.25 — 3,880 bush at 85 cents			$3,298 00
80 acres oats at 41.50 — 3,320 bush at 29 cents			962 80
			$4,260 80
Income	$4,260 80		
Expenditure	3,659 20		
	$ 601 60		

APPENDIX No. 3

EXHIBIT No. 207 E

AVERAGE HALF SECTION WHEAT FARM, 1922, IN WESTERN SASKATCHEWAN, CROP DISTRICT No. 7

Investment:—			
320 acres at $25	$ 8,000		
Buildings	2,000		
Stock & Implements	2,000		
		$12,000	
Mortgage	3,000		
Other indebteness	2,000		
		$5,000	
Interest 8 per cent			$400 00
Taxes			90 00
Allowance for food, clothing, fuel, etc			1,200 00
Horses, maintenance 8 mos at $60			480 00
Labour, seeding 1 month; harvest 1 month			125 00
Board for two months			50 00
Seed, wheat, 240 bus. at $1			240 00
Seed, oats, 80 bus. at 50 cents			40 00
Hail insurance, 200 acres at 60 cents			120 00
Twine, 300 lbs. at 14 cents			42 00
Threshing wheat, 1,960 bus. at 15 cents			294 00
Threshing oats, 1,860 bus. at 8 cents			148 80
			$3,229 80
Income:—			
160 acres wheat at 12.25 — 1,960 at 85 cents			$1,666 00
80 acres oats at 23.25 — 1,860 at 29 cents			539 40
			$2,205 40
Expenditure	$3,229 80		
Income	2,205 40		
Loss	$1,024 40		

EXHIBIT No. 207 G

AVERAGE WHEAT YIELDS FOR 1922 IN CROP DISTRICTS

Crop District No. 1	23·25
2	23·25
3	24·25
4	18·75
5	21·25
6	16·00
7	12·25
8	24·25
9	16·00

Average yield per acre, 20·25 bushels.

EXHIBIT No. 207 H.

Rural Municipalities, 1922

Tax Levies, 1922, for 279 Rural Municipalities

General Municipal	$ 5,489,831 00
School	6,625,523 00
Telephone	1,731,063 00
Hail	1,051,183 00
Union Hospital	89,593 00
Drainage	9,242 00
Wild Land	633,171 00
Public Revenue	1,605,428 00
Total	$ 17,235,034 00
Total collections for 279 Rural Municipalities	$ 17,921,729 00
Total collected from current levies for 278 R.M's	9,435,134 00
Uncollected arrears at the end of 1922	10,555,138 00

Note.—The statement of current tax collections has been obtained by means of a circular addressed to the municipalities as the financial statements do not show current collections separate from total collections.

EXHIBIT No. 207 I.

Statement re Provincial Debt

Gross Debt	$ 53,400,563 93
Capital invested in revenue bearing telephones, Co-operative Elevator Co., Ltd., Co-operative Creameries Ltd., Farm Loans Board, etc	27,878,236 02
Net Debt	$ 25,522,327 91
Per capita Debt—Gross	$ 70 49
Net	33 69
Public Revenue Tax levied for 1921	2,039,639 00
Total population 757,510, making per capita levy for Provincial Revenue purposes	2 69

EXHIBIT No. 208

Memorandum on the Trend of Export Trade in Canadian Farm Products, etc., 1914-1923

1. A change in the statistics of aggregate trade over a particular period may be due to two causes, (1) an increase or decrease in the quantity or volume of trade, or (2) an increase or decrease in the prices at which the trade is effected. Ordinarily both causes are in operation. It is apparent that the usual trade totals, being limited to values, do not reveal the interplay of these factors.

2. To analyse the trend of general trade so as to show its real significance as above, presents considerable difficulties. Many items in the trade classifica-

tion are of a composite character and hence do not permit of quantity records. During the war some of the most important items of trade (e.g. explosives and munitions) were in this category. In such cases a process of estimating must be employed.

3. The accompanying statement, prepared at the request of the Chairman of the Special Committee on Agricultural Conditions, analyses the trend of the export trade in Canadian farm products and the manufactures based thereon, as between 1923 and the pre-war year 1914.

4. The table sets out the several articles that are produced on the Canadian farm or are derived therefrom classified under two headings, namely: (1) Products of field husbandry (vegetable origin), and (2) Products of animal husbandry (animal origin). Each of these is sub-divided under, (*a*) raw materials, (*b*) partly manufactured articles, and (*c*) fully manufactured articles. A summary is given at the close of the table.

5. The table shows for each article, (1) the quantities exported in 1914 and 1923 respectively, (2) the total value of exports and average export prices in the two years, (3) the total value of 1923 exports reckoned at the prices of 1914, and (4) an analysis of the increase or decrease due respectively to (*a*) change in quantity exported and (*b*) change in price.

6. It will be seen from the summary that Canadian exports of farm products, etc., increased from a total value of $247,407,611 in 1914 to one of $467,099,395 in 1923—an increase of $219,691,784. Of this increase, $126,220,493 represents an increase in the quantities of the various products exported, and $93,471,291 the increase in prices which took place between 1914 and 1923. Had there been no increase in prices, the total value of these exports in 1923 would have been $373,628,104.

7. Increases are shown both in quantity and price for the great majority of the items included in the table. In several cases, however, increases in quantity were offset by declines in price, as for example, in turnips, clover seed, tobacco, most items of live stock, and hides. On the other hand, decreases in the quantity of exports occurred in the case of corn, oats, flax, hay, hemp, bran, oilcake, horses, swine, sole leather, cheese and a few other articles. The details for each article will be seen in the table, but special attention may be directed to the following:

8. *Wheat and Flour.*—A considerable part of the total increase above mentioned is contributed by wheat and flour. Exports of wheat rose from 120,426,579 bu. in 1914 to 215,074,566 bu. in 1923 and the export price per bushel from an average of 97 cents to one of $1.17. Flour exports rose from 4,832,183 bbls. in 1914 to 10,227,060 bbls. in 1923, and the average price per bbl. from $4.26 to $5.87. Altogether the increase contributed by wheat was $134,426,588, and that contributed by flour $39,494,347, a total of $173,920,935. This it will be observed is nearly 80 per cent of the increase of $219,691,784 shown for agricultural exports as a whole. As background to these figures the crop returns and the relative movement of exports in the two years are of interest. The total Canadian wheat crop of 1914 was estimated at 161,280,000 bu., whilst that of 1922 was estimated at 399,786,400 bu., the latter being the largest in the history of Canada, the only other crop approaching it being that of 1915 with a total of 393,542,600 bu. It should also be noted that the export movement of wheat and flour during the autumn of 1922 (Sept. 1 to Dec. 31) was exceptionally heavy, viz., 161,845,403 bu., whereas in 1914 only 39,797,271 bu. went out during the autumn and winter months and 132,342,839 bu. during the same period for the 1915 crop.

9. *Oats and Flax.*—Both of these crops have shown considerable declines in quantity exported. In oats, the decline was from 34,996,664 bu. in 1914 to 29,022,347 bu. in 1923, which would have caused a decline of over $2,500,000 in

the value of these exports had prices remained unchanged. Export prices per bushel rose however from an average of 38 cents to 50 cents which resulted in a net gain of $1,153,166. In flax, the decline in quantity was from 206,647,327 bu. in 1914 to 2,494,062 bu. in 1923, and although prices went up from $1.22 to $2.21 per bu. there still remained a decrease of $21,771,961 in the value of exports.

10. *Rye.*—Rye shows an all-round increase, namely, from an export of 112,436 bu. in 1914 to one of 10,129,350 bu. in 1922, accompanied by a rise in price from 67 cents to 80 cents per bushel. The total increase in the value of exports was $8,076,988.

11. *Butter and Cheese.*—Exports of butter have increased from 1,228,753 lb. in 1914 to 21,994,578 lb. in 1923, and the average price from 25 cents to 37 cents per lb., making a total gain of $7,934,092, of which $5,189,599 represents the increase in quantity and $2,744,493 the increase in prices. Cheese on the other hand declined in quantity from an export of 1,444,783 lb. in 1914 to one of 1,454,489 lb. in 1923, which, had prices remained unchanged would have represented a fall from approximately $21,000,000 in 1914 to $15,000,000 in 1923. Average prices, however, rose from 13 cents to 18 cents per lb., so that there was a net increase in the total value of exports of $1,959,449.

12. *Bacon.*—A heavy increase has occurred. Exports went up from 259,500 lb. in 1914 to 1,015,901 lb. in 1923, and prices from 15·66 cents to 22·18 cents per lb. The total increase in declared value between the two years is $18,503,291, made up of $11,875,904 reflecting the quantity increase and $6,627,387 the advance in prices.

13. An analysis of the above kind to be completely illuminating should cover the entire field of trade and should show intervening years. It is the intention of the Dominion Bureau of Statistics to introduce such statistics into its annual trade reports at an early opportunity.

R. H. COATS,
Dominion Statistician.

Dominion Bureau of Statistics,
Ottawa, May 15, 1923.

EXHIBIT No. 209

Comparison of the Exports of Canadian Farm Products in 1923 with those of 1914

Quantities, Values and Average Prices of Canadian Farm Products Exported from Canada during the Fiscal Years 1914 and 1923; with Estimated Values of 1923 Exports at the Average Prices prevailing in 1914: the Recorded Increases or Decreases in 1923 compared with 1914 and the respective amounts of such Increases or Decreases due to larger or smaller Quantities and to higher or lower Average Prices.

Classification	Units of Quantity	Declared Quantities		Declared Values				Estimated Values of 1923 Quantities at Average Prices of 1914	Increases or Decreases 1914–1923		
				1914		1923				Of which—	
		1914	1923	Amounts	Average Prices	Amounts	Average Prices		Increase (+) or Decrease (−) in Declared Values	Due to Larger (+) or Smaller (−) Quantities	Due to Higher (+) or Lower (−) Average Prices
				$	$ cts.	$	$ cts.	$	$	$	$
Of Agricultural or Vegetable Origin											
Raw Materials											
Apples, fresh	Brl.	947,382	1,460,656	3,465,475	3 65	6,452,044	4 42	5,331,394	+ 2,986,569	+ 1,865,919	+ 1,120,650
Berries, fresh				91,935		379,468		314,958	+ 287,533	+ 223,023	+ 64,510
Other fresh fruits				220,147		595,720		494,448	+ 375,573	+ 274,301	+ 101,272
Beets, sugar	Ton.		11,430			56,730	4 96	49,355	+ 56,730	+ 49,355	+ 7,375
Potatoes	Bush.	1,980,844	2,798,842	1,127,541	0 56	1,887,075	0 67	1,567,352	+ 759,534	+ 439,811	+ 319,723
Turnips	Bush.	1,707,062	2,023,648	309,582	0 18	313,167	0 15	364,257	+ 3,585	+ 54,675	− 51,090
Other fresh vegetables				123,479		119,933		104,342	− 3,546	− 19,137	+ 15,591
Barley	Bush.	13,032,369	14,584,005	6,513,557	0 50	9,164,756	0 63	7,292,003	+ 2,651,199	+ 778,446	+ 1,872,753
Beans	Bush.	11,377	80,813	28,850	2 53	250,428	3 10	204,457	+ 221,578	+ 175,607	+ 45,971
Buckwheat	Bush.	172,802	525,424	120,353	0 70	433,466	0 82	367,796	+ 313,113	+ 247,443	+ 65,670
Corn	Bush.	30,813	26,777	23,542	0 76	27,757	1 04	20,351	+ 4,215	− 3,191	+ 7,406
Oats	Bush.	34,996,664	29,022,347	13,379,849	0 38	14,533,015	0 50	11,028,492	+ 1,153,166	− 2,351,357	+ 3,504,523
Peas, split	Bush.	21,371	55,484	22,971	1 07	174,402	3 14	59,368	+ 151,431	+ 36,397	+ 115,034
Peas, whole	Bush.	121,359	210,869	240,274	1 98	582,444	2 76	417,521	+ 342,170	+ 177,247	+ 164,923
Rye	Bush.	112,436	10,129,350	75,888	0 67	8,152,876	0 80	6,786,665	+ 8,076,988	+ 6,710,777	+ 1,366,211
Wheat	Bush.	120,426,579	210,074,566	117,719,217	0 97	252,145,805	1 17	208,622,329	+ 134,426,588	+ 90,903,112	+ 43,523,476
Screenings	Cwt.		1,700,716			340,894	0 20	282,942	+ 340,894	+ 282,942	+ 57,952
Hops	Lb.	252,692	636,719	57,890	0 23	217,807	0 34	146,445	+ 159,917	+ 88,555	+ 71,362
Other vegetable food products						192,897		158,176	+ 192,897	+ 158,176	+ 34,721
Seed, clover, alfalfa	Bush.	118,601	68	1,094,330	9 22	1,112	16 35	2,811,252	+ 922,909	+ 1,716,922	− 794,013
Seed, clover, alsike	Bush.		198,663			1,480,821	7 45				
Seed, clover, red	Bush.		6,782			52,310	7 71				
Seed, clover, other	Bush.		99,395			482,996	4 86				
Seed, flax, for sowing	Bush.	20,647,327	1,325	24,816,333	1 22	5,306	4 00	3,044,372	− 19,310,480	− 21,771,961	+ 2,461,481
Seed, flax, n.o.p.	Bush.		2,494,062			5,500,547	2 21				
Seed, grass	Bush.	110,873	62,247	106,708	0 96	127,092	2 04	59,757	+ 20,384	− 46,951	+ 67,335
Seed, all other				58,631		44,859		34,541	− 13,772	− 24,090	+ 10,318
Tobacco, unmanufactured	Lb.	196,524	1,100,007	66,126	0 33	297,923	0 27	363,002	+ 231,797	+ 296,876	− 65,079
Fodders, n. o. p.						554,726		454,875	+ 554,726	+ 454,875	+ 99,851
Hay	Ton.	191,515	58,300	1,787,050	9 33	927,143	15 90	543,939	− 859,907	− 1,243,111	+ 383,204
Hemp	Cwt.	200	4	190	0 95	52	13 00	4	− 138	− 186	+ 48
Straw	Ton.	5,118	13,297	28,964	5 65	87,055	6 55	75,128	+ 58,091	+ 46,164	+ 11,927
Other vegetable products				570,509		41,577		34,093	− 528,932	− 536,416	+ 7,484
Total Raw Materials				172,049,391		305,624,203		251,033,614	+ 133,574,812	+ 78,984,223	+ 54,590,589

EXHIBIT No. 209—*Continued*

COMPARISION OF THE EXPORTS OF CANADIAN FARM PRODUCTS IN 1923 WITH THOSE OF 1914—*Con.*

Quantities, Values and Average Prices of Canadian Farm Products Exported from Canada during the Fiscal Years 1914 and 1923: with Estimated Values of 1923 Exports at the Average Prices prevailing in 1914; the Recorded Increases or Decreases in 1923 compared with 1914 and the respective amounts of such Increases or Decreases due to larger or smaller Quantities and to higher or lower Average Prices. Con.

Classification	Units of Quantity	Declared Quantities		Declared Values				Estimated Values of 1923 Quantities at Average Prices of 1914	Increases or Decreases 1914 1923		
				1914		1923				Of which—	
		1914	1923	Amounts	Average Prices	Amounts	Average Prices		Increase (+) or Decrease (−) in Declared Values	Due to Larger (+) or Smaller (−) Quantities	Due to Higher (+) or Lower (−) Average Prices
Products Advanced by Manufacture				$	$ cts.	$	$ cts.	$	$	$	$
Malt	Bush	4,337	128,106	4,256	0 98	176,564	1 38	125,544	+ 172,308	+ 121,288	+ 51,020
Flax fibre and tow	Cwt	6,695	30,097	46,369	7 64	331,488	11 01	229,941	+ 285,119	+ 183,572	+ 101,547
Apples, dried	Lb	6,082,476	532,470	411,789	0 06	60,514	0 11	31,948	− 351,275	− 379,841	+ 28,566
Fruits, dried, n.o.p	Lb	3,380	30,032	352	0 10	5,835	0 19	3,003	+ 5,483	+ 2,651	+ 2,832
Fruits, canned				394,719		850,385		612,277	+ 455,666	+ 217,558	+ 238,108
Cider	Gal	151,073	93,910	19,737	0 13	31,779	0 34	12,208	+ 12,042	− 7,529	+ 19,571
Vegetables, dried	Lb		132,875			11,033	0 08	7,944	+ 11,033	+ 7,944	+ 3,089
Vegetables, canned	Lb		11,033,167	17,655		841,401	0 08	605,809	+ 823,746	+ 588,154	+ 235,592
Bran	Cwt	2,077,713	1,924,522	1,789,939	0 86	2,194,326	1 14	1,655,089	+ 404,387	− 134,850	+ 539,237
Cornmeal	Brl	3,939	29,249	14,639	3 71	127,838	4 37	108,514	+ 113,199	+ 93,875	+ 19,324
Oatmeal	Cwt	209,748	379,237	488,589	2 43	1,596,527	4 21	921,546	+ 1,107,938	+ 432,957	+ 674,981
Rye flour	Brl		286			1,634	5 71	1,176	+ 1,634	+ 1,176	+ 458
Wheat flour	Brl	4,832,183	10,227,060	20,581,079	4 26	60,075,426	5 87	43,567,276	+ 39,494,347	+ 22,986,197	+ 16,508,150
Meal, n.o.p.	Brl	2,042	9,834	7,534	3 69	41,671	4 24	36,287	+ 34,137	+ 28,753	+ 5,384
Maple sugar	Lb	1,925,343	2,738,227	159,619	0 08	374,457	0 14	219,058	+ 214,838	+ 59,439	+ 155,399
Maple syrup	Gal	5,205	5,885	5,284	1 01	11,954	2 03	5,944	+ 6,670	+ 660	+ 6,010
Vinegar	Gal	330	178,056	82	0 24	50,616	0 28	42,733	+ 50,534	+ 42,651	+ 7,883
Oilcake	Cwt	604,670	447,202	832,391	1 37	1,084,954	2 43	612,667	+ 252,560	− 219,727	+ 472,287
Linseed oil	Gal		8,242			9,787	1 19	7,047	+ 9,787	+ 7,047	+ 2,740
Oil, vegetable, n.o.p.	Gal		169,853			78,115	0 46	56,243	+ 78,115	+ 56,243	+ 21,872
Total Products Advanced by Manufacture				24,774,036		67,956,304		48,862,254	+ 43,182,268	+ 24,088,218	+ 19,094,050
Total Farm Products of Agricultural or Vegetable Origin				196,823,427		373,580,507		299,895,868	+ 176,757,080	+ 103,072,441	+ 73,684,639
ANIMAL ORIGIN											
Raw											
Animals for exhibition						317,258		326,776	+ 317,258	+ 326,776	− 9,518
Cattle for improvement of stock	No		542			128,072	236 30	131,914	+ 128,072	+ 131,914	− 3,842
Poultry for improvement of stock	No		6,581			50,877	7 73	52,403	+ 50,877	+ 52,403	− 1,526
Sheep for improvement of stock	No		629			24,262	38 57	24,990	+ 24,262	+ 24,990	− 728
Swine for improvement of stock	No		448			17,171	38 33	17,686	+ 17,171	+ 17,686	− 515
Cattle, n.o.p., 1 year old or less	No	20,782	29,355	252,078	12 13	262,161	8 94	356,076	+ 10,083	+ 103,998	− 93,915
Cattle, n.o.p., over 1 year old	No	198,947	229,080	7,654,716	38 47	8,738,243	38 14	8,812,708	+ 1,083,527	+ 1,157,992	− 74,465
Horses, n.o.p.	No	3,568	1,863	783,631	219 62	278,178	149 80	409,152	− 505,453	− 374,479	− 130,974

Poultry, n.o.p.	No.		597,200	132,398		542,241	0 91	558,508	+	409,843	+	426,110	−	16,267
Sheep, n.o.p.	No.	20,543	75,154	128,493	6 25	473,798	6 30	469,713	+	345,305	+	341,220	+	4,085
Swine, n.o.p.	No.	28,207	1,857	446,430	15 82	28,038	15 10	29,378	−	418,392	−	417,052	−	1,340
Other animals, n.o.p.				57,337		460,667		474,487	+	403,330	+	417,150	−	13,820
Bones, crude	Cwt.	65,183	66,987	94,586	1 45	113,474	1 69	97,131	+	18,888	+	2,545	+	16,343
Horns				16,634		15,453		13,135	−	1,181	−	3,499	+	2,318
Hides, calf	Cwt.		51,771			847,505	16 37							
Hides, cattle	Cwt.	688,808	461,952	9,000,687	13 20	5,732,262	12 35	7,026,175	−	2,394,590	−	2,064,512	−	330,078
Hides, horse	Cwt.		16,263			116,330	7 15							
Hides, sheep	Cwt.	9,950	51,411	137,688	13 84	659,620	12 83	711,528	+	521,932	+	573,840	−	51,908
Hair				237,100		255,241		216,955	+	18,141	−	20,145	+	38,286
Beef, fresh	Cwt.	131,332	299,285	1,127,908	8 58	2,932,573	10 10	2,190,645	+	1,804,665	+	1,362,737	+	441,928
Mutton, fresh	Cwt.	652	36,101	10,804	16 57	847,233	23 47	598,194	+	836,429	+	587,390	+	249,039
Pork, fresh	Cwt.		7,586			179,731	23 69	84,736	+	179,731	+	84,736	+	94,995
Poultry, dressed				73,972		775,761		651,639	+	701,789	+	577,667	+	124,122
Other meats	Lb.	2,849,082	7,194,298	266,879	0 09	590,267	0 08	647,487	+	323,388	+	380,608	−	57,220
Cream	Gal.	1,323,929	1,742,241	1,289,680	0 97	2,793,937	1 63	1,660,874	+	1,504,257	+	371,194	+	1,133,063
Milk	Gal.	307,188	856,039	47,645	0 15	189,301	0 22	128,406	+	141,656	+	80,761	+	60,895
Eggs	Doz.	124,002	3,613,531	37,150	0 30	1,410,441	0 39	1,084,059	+	1,373,294	+	1,046,909	+	326,385
Honey	Lb.	16,069	116,353	1,842	0 11	13,520	0 11	12,799	+	11,678	+	10,957	+	721
Sausage casings				366,931		531,651		446,587	+	164,720	+	79,656	+	85,064
Tails				17,963		22,488		19,115	+	4,525	+	1,152	+	3,373
Other animal products				107,800		123,707		105,151	+	15,907	−	2,649	+	18,556
Wool, raw	Lb.	2,841,184	8,667,400	648,675	0 22	2,363,931	0 27	1,906,828	+	1,715,256	+	1,258,153	+	457,103
Total Raw				23,029,027		31,835,395		29,565,235	+	8,806,368	+	6,536,208	+	2,270,160
Products Advanced by Manufacture														
Harness leather						668,072		581,223	+	668,072	+	581,223	+	86,849
Sole leather	Lb.	7,973,368	4,051,657	2,336,491	0 29	1,343,830	0 33	1,174,981	−	992,661	−	1,161,510	+	168,849
Upper leather	Lb.	367,197		113,916	0 31	2,581,129		2,245,582	+	2,467,213	+	2,131,666	+	335,547
Other leather, unmanufactured				617,179		131,360		114,283	−	485,819	−	502,896	+	17,77
Grease and scraps	Cwt.	40,889	26,836	116,116	2 84	123,898	4 62	76,214	+	7,782	−	39,902	+	47,684
Glue stock	Cwt.		28,047	26,719		54,381	1 94	46,768	+	27,662	+	20,049	+	7,613
Tankage	Cwt.		291,986			492,655	1 69	423,683	+	492,655	+	423,683	+	68,972
Bone dust	Cwt.		8,484			5,504	0 65	4,733	+	5,504	+	4,733	+	771
Bacon	Cwt.	257,500	1,015,901	4,033,106	15 66	22,536,397	22 18	15,909,010	+	18,503,291	+	11,875,904	+	6,627,387
Beef, pickled	Cwt.		1,173			9,172	7 82	10,064	+	9,172	+	10,064	−	892
Canned meats	Lb.	638,583	179,632	94,961	0 15	56,151	0 31	27,416	−	32,938	−	67,545	+	34,607
Fluid extract of beef	Lb.		3,144			5,872	1 87							
Pork, dry salted	Cwt.	18,112	13,751	202,391	11 17	223,056	16 22	213,559	+	69,560	+	11,168	+	58,392
Pork, pickled	Cwt.		5,368			48,895	9 11							
Butter	Lb.	1,228,753	21,994,578	309,046	0 25	8,243,138	0 37	5,498,645	+	7,934,092	+	5,189,599	+	2,744,493
Cheese	Cwt.	1,444,783	1,145,489	18,868,785	13 06	20,828,234	18 18	11,960,086	+	1,959,449	+	3,908,699	+	5,868,148
Milk powder	Lb.	9,339,400	3,927,952	666,941	0 07	385,855	0 10	2,121,611	+	2,577,972	+	1,454,700	+	1,123,272
Milk, condensed	Lb.		26,381,200			2,861,058	0 11							
Lard	Cwt.	1,256	42,653	11,519	9 17	595,115	13 95	657,526	+	959,666	+	646,007	+	313,659
Lard compound	Cwt.		29,071			376,070	12 94							
Tallow	Cwt.	23,488	14,639	157,987	6 72	111,915	7 64	98,374	−	46,072	−	59,613	+	13,541
Wax	Cwt.		16,523			3,736	0 23	3,213	+	3,736	+	3,213	+	523
Total Products Advanced by M'f'r				27,555,157		61,683,493		44,167,001	+	34,128,336	+	16,611,841	+	17,516,492
Total Farm Products of Animal Origin				50,584,184		93,518,888		73,732,236	+	42,934,704	+	23,148,052	+	19,786,652

EXHIBIT No. 209—*Concluded*

COMPARISON OF THE EXPORTS OF CANADIAN FARM PRODUCTS IN 1923 WITH THOSE OF 1914—*Con.*

Quantities, Values and Average Prices of Canadian Farm Products Exported from Canada during the Fiscal Years 1914 and 1923; with Estimated Values of 1923 Exports at the Average Prices prevailing in 1914; the Recorded Increases or Decreases in 1923 compared with 1914 and the respective amounts of such Increases or Decreases due to larger or smaller Quantities and to higher or lower Average Prices—*Con.*

Classification	Units of Quantity	Declared Quantities		Declared Values				Estimated Values of 1923 Quantities at Average Prices of 1914	Increases or Decreases 1914–1923		
				1914		1923				Of which—	
		1914	1923	Amounts	Average Prices	Amounts	Average Prices		Increase (+) or Decrease (−) in Declared Values	Due to Larger (+) or Smaller (−) Quantities	Due to Higher (+) or Lower (−) Average Prices
				$	$ cts.	$	$ cts.	$	$	$	$
RECAPITULATION											
Raw Farm Products—											
Of Agricultural or Vegetable Origin				172,049,391		305,624,203		251,033,614	+ 133,574,812	+ 78,984,223	+ 54,590,589
Of Animal Origin				23,029,027		31,835,395		29,565,235	+ 8,806,368	+ 6,536,208	+ 2,270,160
Total Raw Farm Products				195,078,418		337,459,598		280,598,849	+ 142,381,180	+ 85,520,431	+ 56,860,749
Farm Products Advanced by Manufacture—											
Of Agricultural or Vegetable Origin				24,774,036		67,956,304		48,862,254	+ 43,192,268	+ 24,088,218	+ 19,094,050
Of Animal Origin				27,555,157		61,683,493		44,167,001	+ 34,128,336	+ 16,611,844	+ 17,516,492
Total Farm Products Advanced by M'f'r				52,329,193		129,639,797		93,029,255	+ 77,310,604	+ 40,700,062	+ 356,610,542
Total Farm Products Exported				247,407,611		467,099,395		373,628,104	+ 219,691,784	+ 126,220,493	+ 93,471,291

EXHIBIT 210

DOMINION BUREAU OF STATISTICS—INTERNAL TRADE BRANCH

Retail prices of sugar in Ottawa

By weeks—Jan. 1 to May 15, 1923

	(Cents per pound)
January 5,	9
" 12,	9-9½
" 19,	9-9½
" 26,	9½-10
February 2,	9-10
" 9,	9-10
" 16,	9½-10
" 23,	9½-10
March 2,	10-12½
" 9,	11-12½
" 16,	11½-12½
" 23,	"
" 30	"
April 6,	"
" 13,	"
" 20,	"
" 26,	"
May 3,	12-12½
" 10,	12-12½

EXHIBIT No. 213.

MONTREAL, May 14, 1923.

Mr. S. R. GORDON,
Clerk of the Special Committee
on Agriculture Condition,
Ottawa, Canada.

SIR.—Complying with your desire in reference to the cost of making the stalls for the shipping of cattle to Great Britain, you will find inclose information that we believe will be satisfactory to you.

Respectfully Yours,

J. O. GAGNON,
Secretary of the District Council of Montreal.

COST OF CATTLE FITTINGS.

Upper deck.—	
Cost of lumber	$ 11 30
Hardware	2 00
Labour	4 00
Total	$ 17 30

Loading runways and labour $0·85 per head.
Under deck—

Lumber	$ 6 35
Hardware	75
Labour	2 25
Total	$ 9 35

Water service, electric light for permanent fitting about $ 2 00 per head.
Accommodation for men including lumber for bunks and wooden mess tables about $ 12 00 per man.

EXHIBIT No. 214

Address

RELATIONSHIP BETWEEN THE PRODUCERS AND THEIR ASSOCIATIONS AND THE MILK DEALERS

By T. J. Murray, Crescent Pure Milk Co., Ltd., Winnipeg, Manitoba, before International Milk Dealers Association

I have learned much from Mr. Walker. I am seeking advice and am not going to offer it. I can just do as he has done, tell you the story of our work with the producers and our relationship with them in Winnipeg, Manitoba, which is 500 miles north of you here.

We are particularly fortunate at the present time in not having to deal with a producers organization, as such, and it may be that our method of dealing with the situation that have arisen have kept us free, or it may have been luck. During the past eight years we have had three different producers organizations and in no case have they been successful. In order to explain their lack of success it is necessary for me to say that our producers are divided into six large groups, the Canadians, the English, the French, the German, the Jewish and the foreigners, which last classification includes Galicians, Ruthenians, Doukhobors, Icelanders, etc., and these groups are hard to hold together. In 1915, when the milk situation began to fail on the producers' end, we set milk prices which we felt were high enough. At that time the producers adjacent to Winnipeg, the Jewish group, organized a local association and went on strike for more money. The strike was unsuccessful because they were unable to organize the country shippers of the other groups, because they struck during the surplus period. There was quite some friction during the two weeks the strike lasted but at the end of that time the striking producers were taken back on the same terms as before. Several attempts were made between 1915 and 1920 to organize a successful producers organization, but all were failures, partially because of the memories of the old strike, but largely because the company was paying $3.85 per 100 pounds for milk testing 3.5 per cent, which was a satisfactory price to even the greatest of the producers.

In 1920, however, one of our shippers, a talking farmer, who was desirous of obtaining a new job, and whose farming operations consisted largely of experiments with Canadian thistles as silage, became very active and in conjunction with an ex-employee of our company started out to organize the Winnipeg Milk Producers' Association. The country was canvassed thoroughly and memberships solicited, the dues to be $1 monthly, which was to be deducted from

the milk check. The deduction orders were sent to us for payment, but we promptly deposited same in the waste basket on advice of our lawyers that it was unnecessary for us to act as collection agents for the producers' organization. No funds, shortly meant no organization.

We next refused to meet the representatives of the producers association, and it lapsed temporarily. It was not dead, however, as shortly after the Manitoba Co-operative Creameries was incorporated by the same gentlemen that were promoting the old producers organization. A number of farmers were interested and stock was sold on any basis to obtain distribution, so long as they could get the farmers' names on the dotted line. Our combative means were that we sent three men to follow their stock salesmen to hold meetings to combat the co-operative propaganda. The object of the stock selling was to acquire sufficient funds to purchase the City Dairy Company, a competitive milk organization in Winnipeg on which the Manitoba Co-operative Creameries held an option.

As the expiration date of the option approached our propaganda was successful and the money was not coming in fast enough to take up the option, so a new move was made to obtain funds. This move is particularly interesting, as if there had been a farmer government it might have succeeded, and others may meet it in their localities in the future. The Manitoba Co-operative Creameries was incorporated under the Dairy Act of Manitoba, stock being sold to anybody, as the articles of incorporation provided for membership by producers, employees of the organization and others. The single exception to the regular stock company being that each stockholder had only one vote, no matter what his stock holdings were. However, the Co-operative Creameries were supposed to be a farmers organization and therefore entitled to government support. The government of Manitoba was therefore appealed to for a loan up to several hundred thousand to purchase the City Dairy. I believe that this first request was to be for a straight loan without any security for the government. The bill was introduced by one of the bolshevist labour members of Parliament, and presented to the Agricultural Committee for action. We combatted the proposition to the best of our ability.

The co-operative organization attempted to show that under the malign influence of the Crescent Company the farmers were being robbed, the public was being robbed, etc., and unless the government advanced the money they would be unable to save the public and the farmers from the terrible milk trust. We showed that our buying prices to the farmers were higher than practically any other city in the country and our retailing prices lower. We also offered as evidence the balance sheet of a co-operative organization in an adjacent province, showing that this organization without the support of their government would be bankrupt, with liabilities of nearly a million dollars. The agricultural Committee was favourable to the scheme but was afraid to recommend it to Parliament, so it was taken to the House as a committee of the whole, and when the scheme was shown up by the leaders of the opposition it was very promptly tabled.

Without the support of the government the purchase of the City Dairy fell through and the producers then purchased a small local butter plant from another dealer and obtained his services as manager. This plant has had a very successful season because of increased shipments from the co-operative stockholders, but so far has only paid the same prices for butterfat as ourselves, and is unlikely at present to become much of an organization.

This finished, the next move was for a local producers' organization. Last spring a local producers' union was organized by French shippers at one of our country shipping factories, and we were met with demands for no more surplus

milk prices, and for an increase in the prices for straight milk. We met this move by attempting to explain the impossibility of paying full prices except for a portion of the milk and told them we would deal with individuals but would not deal with their organization. We were promptly howled down in the meeting and told to meet the organization's demands or they wouldn't ship.

We were fortunately in a position to obtain all the milk necessary for our requirements and therefore we closed the factory the morning following the meeting and refused to accept milk except from those who would sign a contract agreeing to ship us and give up all allegiance to the producers' union. Several of the larger producers signed with us and attempted to ship the following morning but the mob at the station refused to allow any milk to leave, and we were forced to call in the Mounted Police for protection. After the arrival of the police a number of shippers signed our contracts and commenced shipping, and in about a week most of the remainder of the men agreed to renounce the union and ship if we would accept their milk. The executive of the union then held meeting at all our other stations, but except in the French districts were unable to obtain hearings or to make any progress.

I might say that this union was organized by an ex-French soldier of Red tendencies who had been very active in the soviet movement in Winnipeg in 1919. At any rate after failing to organize a general union the most of the shippers at the lockout station agreed to sign our contracts, and we re-opened after being closed for over a month. So died the last union. At the present time we are still receiving and paying for surplus milk, and where the next uprising will start I do not know.

So far we have been successful in combating the unions by refusing to deal with the organizers, or to help them collect their dues. We have collected much anti-producers literature and used it in a monthly publication which we distribute to a mailing list of about 8,000 milk and cream shippers. I say our methods so far have been successful, but whether in the next attempt at organization we will come out the victor is another question. We are particularly anxious to get the men's views as we have wondered whether our combative methods would always produce the best results, or whether others who have been through the battle fire could tell us wherein we are wrong. I thank you. (Applause.)

EXHIBIT No. 215.

LETHBRIDGE, ALBERTA, February 8, 1923.

Mr. President and Members,
The Lethbridge Board of Trade,
Lethbridge, Alberta.

GENTLEMEN.—Following instructions from the Board, your Committee has collected information and data on the subject of Internal and Terminal Elevators, also on Equalization of Freight Rates. We attach hereto data sheets, using 1922 wheat crop as a basis to show the urgent necessity of construction of Internal and Terminal Elevators in order to prevent the continuance of the large economic loss suffered in handling the Alberta Crop.

A study of the conservative figures herewith submitted shows that the Alberta Producers lost $185,000 in cash paid out for freight charges on wastage or screenings, in addition to the loss to the district of the value of the screenings as feed for stock, through the lack of facilities which would be provided by an Internal Elevator at Lethbridge.

APPENDIX No. 3

Lethbridge is the centre of the largest wheat growing area in the Province, this district producing 35 per cent of Alberta's 1922 crop. It also offers the advantage of alternate routes for the movement of the crop to Seaboard,—to Fort William, via Medicine Hat. To Vancouver via Calgary, to Vancouver via Midway, and to Vancouver via Golden. The latter route avoids most of the heavy mountain grades. Now that the Lethbridge-Weyburn branch has been completed a terminal Elevator located at Lethbridge could handle the grain of South-western Saskatchewan as well as this district's crop.

Your committee recommends that the Alberta and Federal Governments be petitioned and strongly urged to correct the present wasteful situation by the immediate building of an Internal Elevator at Lethbridge, and sufficient Terminal Elevator facilities at Vancouver. And further that all interested Organizations and Boards of Trade in the Lethbridge district be asked to endorse our petition.

The question of Equalization of Freight Rates is very important but we feel that this situation will be more easily corrected after proper Elevator facilities have been provided. The attached data sheet shows that it costs the producer $1.95 per ton more to move the crop to the Port of Vancouver than to Fort William, figured on an equal per ton per mile basis. Facilities should be provided at Vancouver for the handling of all of Alberta's and a portion of Western Saskatchewan's crop. Only thirty per cent of Alberta's 1922 crop moved to Vancouver and seventy per cent to Fort William. Even on this present small western movement had Vancouver enjoyed equal freight rates with Fort William, Alberta producers would have benefited by $1,250,000 saving in transportation charges on the past season's crop movement.

It must be recognized that the Panama Canal has created a new world trade route and all old conditions of transportation and marketing of commodities must be reconstructed and revised to meet the new situation. We feel that the Port of Vancouver, which is an open port for 12 months of the year, should bear the same importance as a gateway for the Western Provinces as Montreal bears towards the Eastern Provinces. This is not merely a Western Canada question, but it is vitally important and to the interest of the whole of Canada to create without delay ample port facilities at Vancouver and to remove all discrimination in the matter of east-bound and west-bound freight rates from and to Vancouver. In fact if Canada does not rapidly awaken to the new conditions and does not assist in building up the terminal facilities and establishing this trade route for Canada it will be found that the cities to the south, especially Portland, Oregon, will have captured this business to Canada's disadvantage. The American cities along the Pacific Coast, assisted by their Governments have been preparing to handle the trade created by these new conditions, and have been prosecuting huge building programs, port improvement, etc., for several years past.

All of which is respectfully submitted.

J. B. TURNEY,
G. W. GREEN,
W. A. BUCHANAN,
D. R. YATES.

DATA OF ROLLING STOCK, TRANSPORTATION CHARGES AND WASTAGE COMPARING MOVEMENT OF 1922 WHEAT CROP FROM LETHBRIDGE FREIGHT DIVISION WITH ENTIRE PROVINCE OF ALBERTA

	Lethbridge freight division	Entire province of Alberta
1922 wheat production	22,662,000 bush.	61,880,000 bush.
Wastage from cleaning 2 per cent	453,240 "	1,237,600 "
Weight of wastage at 60 pounds per bushel	13,597 tons	37,128 tons
Freight loss to producer, on carrying wastage at ·15 per bushel	$67,986 00	$185,640 00
Rolling stock required to move entire wheat crop at 1,500 bushels per car	15,108 cars	41,253 cars
Rolling stock required to carry wastage at 1,500 bushels per car	302 cars	825 cars
Weight wheat crop at 60 pounds per bushel	679,860 tons	1,856,400 tons
Total freight charges paid for moving entire wheat crop	$ 3,467,286 00	$ 9,349,986 00

LETHBRIDGE DISTRICT DATA 1922 WHEAT CROP

DISTRIBUTION DATA COVERING LETHBRIDGE FREIGHT DIVISION ONLY

	To Vancouver 50 per cent.	To Fort William 50 per cent	Total
1922 Wheat production	11,331,000 bush.	11,331,000 bush.	22,662,000 bush.
Total weight at 60 pounds per bushel	339,930 tons	339,930 tons	679,860 tons
Wastage at terminals from cleaning, 2 per cent	226,620 bush.	226,620 bush.	453,240 bush.
Weight of wastage at 60 pounds per bushel	6,786 tons	6,786 tons	13,597 tons
Rolling stock required to carry wheat crop at 1,500 bushels per car	7,554 cars	7,554 cars	15,108 cars
Rolling stock required to carry wastage at 1,500 bushels per car	151 cars	151 cars	302 cars
Freight loss to producer on wastage, 15c. per bushel	$33,993 00	$33,993 00	$67,986 00
Total freight charges paid for movement of 1922 wheat crop	$1,767,636 00	$1,699,650 00	$3,467,286 00
Freight rate per 100 pounds	.26	.25	
Freight rate per bushel	·156	·15	
Average mileage from Lethbridge division	774 miles	1,177 miles	
Average mileage freight rate per ton mile	·0068	·0042	

WASTAGE FROM CLEANING

VALUE OF WASTAGE OF 1922 WHEAT CROP IF INTERNAL ELEVATORS WERE PROVIDED AND REFUSE LEFT WITHIN THE PROVINCE

	Lethbridge Division	Whole Province
1922 wheat crop	22,662,000 bush.	61,880,000 bush.
Wastage from cleaning, 2 per cent	453,240 bush.	1,237,600 bush.
Weight of wastage at 60 pounds per bushel	13,597 tons	37,128 tons
Rolling stock required to carry wastage at 1,500 bushels per car	302 cars	825 cars
Freight paid on wastage at ·15 per bushel	$67,986 00	$185,640 00
Cost of recleaning wastage at internal elevators for feeding	·02 per bush.	0·2 bush.
Net weight of wastage after recleaning for feeding, estimated 70 per cent good, 30 per cent total loss, 37,128 tons, 70 per cent good	9,500 tons	25,000 tons
Local market value of recleaned screenings for sheep feed, per ton	$20.00	
Average feeding and fattening season	100 days	
Amount of recleaned wheat used to feed 100 days, per sheep	250 lbs.	
Average flesh produced in 100 feeding days, per sheep	30 lbs.	
Number of sheep now in province, 1922	.....	410,000
Market value of sheep in province, 1922	.....	$3,280,000 00
Number of additional sheep which can be sustained and fattened for market on above recleaned wastage	76,000 head	200,000 head
Market value of increased flock at $8 per head	$ 608,000	$1,600,000 00
Additional wool produced by increased flock at 7 pounds each	532,000 lbs.	1,400,000 lbs.
Market value of increased ½ ·20 per lb	$106,400 00	$280,000 00

APPENDIX No. 3

MILEAGE AND FREIGHT RATES

To	From Lethbridge via Calgary				From Edmonton				From Calgary			
	Mileage	Rate per 100 lbs.	Per ton mile	Per bush.	Mileage	Rate per 100 lbs.	Per ton mile	Per bush.	Mileage	Rate per 100 lbs.	Per ton mile	Per bush.
West St. John	2,359	·615	·0048	·369	2,450	·625	·0051	·375	2,433	·625	·0051	·375
Montreal	2,174	·60	·0055	·36	2,260	·615	·0050	·37	2,243	·615	·0054	·37
Fort William	1,177	·25	·0042	·15	1,268	·26	·2241	·156	1,251	·26	·0042	·156
Vancouver	774	·26	·0068	·156	836	·25	·0059	·15	642	·25	·0078	·15

Mileage from Lethbridge to Vancouver:—
Via Calgary, 774 miles.
Via Midway 841 miles.
Via Golden 809 miles.

EQUALIZATION OF FREIGHT RATES

Loss to the Alberta Producers on Movement of 1922 Wheat Crop, Based on Possibility of Equalization of Freight Rates, or the Same "Rate per Ton Mile" Applying to Shipments to Port of Vancouver as are Now in Effect to Fort William

	From Lethbridge 50 per cent to Vancouver 50 per cent to Fort William	From balance of Province 20 per cent to Vancouver 80 per cent to Fort William	Totals
Total weight, 1922 crop	679,860 tons	1,176,540 tons	1,856,400 tons
Tons moved to Vancouver	339,930 tons	235,308 tons	643,310 tons
Tons moved to Fort William	339,930 tons	941,232 tons	1,213,090 tons
Bushels moved to Vancouver	11,331,000 bush.	7,843,600 bush.	19,174,600 bush.
Bushels moved to Fort William	11,331,000 bush.	31,374,400 bush.	42,705,400 bush.

Average freight charged per ton per mile to Vancouver:—

From	Miles	Rate
Lethbridge	774	·0068
Calgary	642	·0078
Edmonton	836	·0060
Average for entire province	750	·0068

Producers loss on 1922 wheat crop which moved to Vancouver:—

Actual rate (average for whole province as above) per ton per mile paid	·0068
Rate should be, if based on equalization with Fort William	·0042
Excess per ton mile	·0026

Average Alberta mileage to Vancouver, 750 miles at ·0026 per ton—1.95 per ton.

Excess freight paid on wheat shipped to Vancouver from Lethbridge, 408,000 tons at 1·95 per ton	$ 795,600 00
Excess freight paid on wheat shipped to Vancouver from balance of the province, 235,310 tons at 1·95 per ton	458,854 00
Total loss for whole of Alberta	$1,254,454 00

SUMMARY

Recleaned screenings, 25,000 tons at $20 per ton	$ 500,000 00
Less cost of recleaning total screenings, 37,128 tons at ·65 per ton	25,000 00
	$ 475,000 00
Plus freight paid and lost, on total screenings, 37,128 tons at $5 per ton	185,640 00
Plus market value of increased flock	1,600,000 00
Plus market value of increased wool produced	280,000 00
Total 1922 value of internal elevators to producers	$ 2,540,640 00
Possible further saving to Alberta Producers had 1922 Vancouver freight rates been equalized on Fort William, Approx	1,259,360 00
	$3,800,000 00

NOTES:—
Possible savings have yet to be computed when ample Vancouver Terminal facilities and equal freight rates are provided for handling 100 per cent of Alberta's and a portion of Western Saskatchewan crop.
Value of acreage and Barley crop to be produced on acreage released by using screenings for feed not yet computed.
Value of getting farmers to run small flocks of sheep to reduce *Weed Menace* not computed.

EXHIBIT No. 216

THE WHOLESALE DRY GOODS ASSOCIATION, MONTREAL

May 28, 1923.

A. R. McMASTER, Esq., K.C.,
Chairman, Special Committee on Agricultural Conditions,
Ottawa, Ont.

DEAR SIR,—When we had the pleasure of an interview you very kindly offered to arrange for publication any letter we might write to you on behalf of the wholesale dry goods trade. We are taking advantage of this opportunity and now enclose a letter covering our views for your kind attention.

We attach hereto a list of the members of the Wholesale Dry Goods Association on whose behalf this letter is written.

Yours very truly,

THE MONTREAL WHOLESALE DRY GOODS ASSOCIATION.
J. V. R. PORTEOUS.

J. V. R. Porteous.
Bradshaw, A., & Sons, Ltd., 25 Wellington street W., Toronto, Ont.
Brock, W. R., Co., Ltd., 68 Bay street, Toronto, Ont.
Brock, W. R., Co., Ltd., Montreal, Que.
Brock & Paterson, Ltd., St. John, N.B.
Caulfield, Burns & Gibson, Ltd., 62 Front street W., Toronto, Ont.
Denton, Mitchell & Duncan, 83 Wellington street W., Toronto, Ont.
Garland, John M., Son & Co., Ottawa, Ont.
Garneau, Ltd., Quebec, Que.
Gauvreau, Beaudry & Cie., Quebec, Que.
Gordon, MacKay & Co., Ltd., 48 Front street W., Toronto, Ont.
Greenshields, Ltd., Montreal, Que.
Hodgson, Sumner Co., Ltd., Montreal, Que.
MacDonald, John, & Co., Ltd., 21 Wellington street E., Toronto.
Macnee & Minnes, Kingston.
Manchester, Robertson Allison, Ltd., St. John, N.B.

APPENDIX No. 3

Martin, P. P., & Co., Ltd., Montreal.
McMahen, Granger & Co., London.
Murphy, J. & M., Ltd., Halifax, N.S.
Nisbet & Auld, Ltd., 34 Wellington street W., Toronto.
Alphonse Racine, Ltd., Montreal.
Robinson, Little & Co., Ltd., London.
Vassie & Co., Ltd., St. John, N.B.
McCall Sheyne & Son, Ltd., Quebec.

17 Victoria Square,

Montreal, May 28, 1923.

The Chairman,
Special Committee on Agricultural Conditions,
Ottawa.

Dear Sir,—Having read the evidence placed before your Committee relating to the wholesale dry goods trade, we are taking the opportunity which you so kindly gave to us of placing our views before you in support of the present method of distribution.

Briefly the function of the wholesale dry goods merchant is an effective consolidation of buying and distribution. This consolidation can be placed under three headings:—

1. The assembling of merchandise;
2. Distribution;
3. Credit.

which we will deal with under their respective headings.

1. *Assembling of Merchandise.*

By ordering ahead in large quantities the mills and manufacturers are able to produce at a lower cost and operate well in advance of the seasonable demands for their merchandise. As early as August orders are placed for deliveries of merchandise to be used the following spring. They are assembled as received and distributed as required to the retailers. The extent of this buying consolidation is very great, as it embraces not only Canadian but United States and European lines –buyers regularly visiting all the large centres. Some of the larger wholesale houses purchase from 500 to 1,000 mills and manufacturers during the course of a year. The effect of this is two-fold. A large range of merchandise is available to choose from. Competition in selling to wholesalers is very keen and this results in competitive prices being obtained at all times.

2. *Distribution.*—The consolidation of distribution embraces shipping, packing, selling, credit and clerical expenses, and is such that existing distribution costs are maintained at a minimum figure. The following orders taken at random will clearly demonstrate the extent of this consolidation:—

Amount of order.	No. of manufacturers whose products were required to fill these orders.
$ 340	40
390	15
600	57
750	60
1,600	42

If the present method of distribution were not available, what would be the result? Instead of one order for $340 being shipped, orders from forty manufacturers making a total amount of $340 would have been dealt with. The expense of this duplication would be enormous. This saving in distribution can only be brought about by assembling the products of different mills and manufacturers for seasonable distribution.

3. *Credit.*—In December we allow 4 per cent 10 days 1st April or net 1st July. This enables merchandise to move forward as accumulated which may not be required until the opening of the spring season. The wholesalers take early deliveries from the mills and by giving this dating to their retailers a very even distribution of merchandise is possible. This is, we believe, in the best interests of trade in general for it would be more costly to cope with the distribution of spring lines only during the spring months.

The retailer whose finances permit him to take his cash discounts has until April to do so, while the retailer who cannot take his discounts and who requires a fair assortment of merchandise in order to compete can avail himself of net terms and in this way have an opportunity of turning over merchandise bought before payment is required. An analysis of the accounts of the average wholesale dry goods house shows that the greater number are not able to take their discounts. In giving these terms the wholesaler is really placing financial accommodation at their disposal which would not be available through other channels.

In the fall season goods move out in June payable 4-10 October, net 1st January. This enables the retailer to give a certain amount of credit to the farmers during the growing season which is a distinct advantage to the farming community in particular, payment being made after the grain has been harvested. If goods were bought for cash and sold for cash it is conceivable that a saving might be made, but it is estimated that there are 180,000 retailers throughout the Dominion and it is fair to say that probably 75 per cent of them would not be able to stay in business if they could not obtain credit when making their purchases. This we feel is a real advantage to the farming community, particularly in the grain growing sections.

In closing might we emphasize the fact that goods must be bought, sold, packed, shipped and credit dispensed with all the detail and clerical effort necessary. These different functions are consolidated under the present system and if you split up this consolidation, the same processes will still have to be followed and it is only reasonable to suppose that increased costs will result. Volume of business in buying is an incentative to lower prices and volume in shipping is a potent factor in cheaper distribution. That the wholesale method of distribution has developed and stood the test of time is the surest indication that it fulfills a very necessary part in the distribution of merchandise throughout the world. The same may be said of credit for had the adoption of a cash basis been in the best interests of the business community, it is safe to say that it would have been in effect long before this.

Yours very truly,

for the

Wholesale Dry Goods Association.

J. V. R. PORTEOUS,
HECTOR H. RACINE
G. S. CLEGHORN
W. R. SMALLPIECE.

APPENDIX No. 3

EXHIBIT No. 221

MASSEY-HARRIS COMPANY, LIMITED

Makers of Farm Implements

Established 1847

TORONTO, CANADA, June 28, 1923.

S. R. GORDON, Esq.,
Secretary, Agricultural Committee,
Ottawa, Ont.

DEAR SIR,—When giving evidence before the Agricultural Committee, the Chairman suggested that I should ascertain from our records the cost of an 8-foot binder, 4-horse and forecarriage, with carrier, delivered to customer in Regina in the year 1909, in order to satisfy Mr. John Evans, M.P. for Saskatoon, of what our complete cost was in that year compared with our selling price.

I have examined our records and find that the complete cost of such a binder, delivered, as has been described was $154.57, and that the selling price to the customer was $175.00.

Yours very truly,
T. BRADSHAW,
General Manager.

TB/MJ.

T. Bradshaw.

EXHIBIT No. 222

SOME COSTS AND PROFITS IN CANADA'S PRESENT AGRICULTURE

PROFITS ARE BEING MADE BY THE EFFICIENT FARMERS

Cost of Production is a greater problem than *marketing or credits.*
Cost per unit basis of consideration.

Heavy Yields.

1. Heavy yields are in direct ratio to *Profits.*
2. Some farmers all over Canada are asking fair profits and these obtain heavy yields.
3. Best farmers get heaviest yields.
4. Heavy yields in Field Husbandry of Eastern Canada are dependent on live stock.
5. Permanent soil building can be done best and cheapest through live stock.

Live Stock.

1. Canada's permanent agricultural progress and profits depend on live stock.
2. First step toward *permanent homes* is live stock established on the farm.
3. Year round *work* and *income* only through live stock.
4. Live stock use *farmwastes* and *damaged* or *unmarketable* field crops.
5. Crop Rotations are necessary to permanent agriculture, to best yields and to live stock.
6. The production of cheap roughages and the use of the silo all ensure the production of the field crops and provide the best of live stock feeds.
7. *Thrift* and *Industry* so necessary to obtain prosperity are closely associated with live stock rearing.

COSTS OF FIELD CROPS—C.E.F. OTTAWA

The following figures show clearly, (1) that heavy yields, even though at higher costs per acre, will yield the maximum profit; (2) that even at present high costs there is a good margin of profit for the good farmer; (3) it must be noted that the land at the Central Experimental Farm is naturally poor but short rotations, live stock and good farming build up soil and ensure profit.

Hay (1 Acre)	C. E. F.		All Ontario	
	1920	1912	1920	1912
	$ cts.	$ cts	$ cts.	$ cts.
Rent land, $125 at 7 p.c	8 75			
Manure, 3 tons at $1	3 00			
Seed at cost	5 88			
Machinery	1 20			
Man labour, 15·6 hrs. at 40c	6 24			
Horse labour	2 28			
Cost per acre	27 35		17 59	6 96
Yield per acre, 3·2 tons			1·26 ton	1·46 ton
Cost per ton, $8.54			10 00	4 76
Profit per acre at $24.30	50 41	19 51	16 02	9 23

Corn	1920	1912	1920	1912
	$ cts.	$ cts.	$ cts.	$ cts.
Rent land, $125 at 7 p.c	8 75			
Manure, 9 tons at $1	9 00			
Seed, ½ bush. at $3.25	1 63			
Machinery	4 20			
Twine	0 82			
Man labour, 75·4 hrs. at 40c	30 16			
Horse labour, 64 hrs. at 20c	12 84			
Cost per acre	67 40		48 52	25 83
Yield per acre, 17·2 tons			10·3 tons	10·7 tons
Cost per ton, $3.92			4 71	2 41
Value per acre, $7.62.				
Profit per acre	64 18	21 12	30 17	11 19

Oats	1920	1912	1920	1912
	$ cts.	$ cts.	$ cts.	$ cts.
Rent	8 75			
Manure, 6 tons	6 00			
Seed, 2½ bush	3 12			
Machinery	1 20			
Twine, 3½ lbs	0 77			
Man labour, 24·4 hrs	9 76			
Horse labour, 31·9 hrs	6 38			
Threshing	1 00			
Cost per acre	36 98		28 50	14 24
Yield grain, 76 bush			44·8 bush.	35 bush.
Straw, 1·5 ton.				
Value grain, at 58c., $44.08.				
Straw, $7, $10.58.				
Profit per acre	17 60	12 54	2 44	3 02

APPENDIX No. 3

Similar figures are available for Dominion Experimental Farms in nearly all the provinces of Canada. As each province or part thereof has its peculiar problems of soil, rainfall, temperatures so are their problems of crop selection and production peculiar.

However, the Manitoba farmer who would claim only losses in present agriculture might well study the reports of the Experimental Farm, Brandon, and change his methods accordingly. Such striking facts as the profits in steer finishing, pork production, and also field crops; the profits in wheat raising even at present low sale values, when the corn or similar crop replaces the summerfallow, all these show new methods which show possible profits and should create determination and optimism.

The results elsewhere on other Experimental Farms and amongst our best farmers in other districts are equally striking.

MARKETING GRAIN THROUGH LIVE STOCK

A few figures of many available will illustrate the fact that those who sell cash grains at a loss always have available a high priced market if fed properly to good live stock.

EXPERIMENTAL FARM, BRANDON, MAN.

RETURNS FROM GRAIN FED TO STEERS

Year	Prices obtained per bushel fed to steers		Fort William prices on December 1st	
	Oats	Barley	No. 1 feed oats	No. 3 barley
	$ cts.	$ cts.	$ cts.	$ cts.
1913–14	0 43	0 60	0 32	0 43
1914–15	0 83	1 17	0 52	0 65
1915–16	1 15	1 46	0 37	0 67
1916–17	1 02	1 43	0 59	1 10
1921–22	0 70	0 99	0 42	0 57

Figures for the years 1918-21, inclusive, are not available as no steer feeding was done in these years.

In no season since the present superintendent took charge in 1911 has the price obtained for oats and barley fed to steers failed to exceed, by a large margin, the regular market price of these grains.

EXPERIMENTAL STATION, SCOTT, SASK.

VALUE OF OATS WHEN MARKETED THROUGH FEEDING TO STEERS

Years	Return per bushel
	$ cts.
1916–17	1 12
1917–18	1 31
1919–20	1 87
1920–21	0 06 loss
1921–22	1 11
Average for 5 years	1 07

Similar figures could have been compiled for barley, but as unequal quantities of oats and barley were fed, direct comparisons of these two grains could not be made.

Sunflower silage for fattening steers realized $8,000—$14.75 per ton.

Dairy Cows at the Experimental Farm, Ottawa showed a substantial profit over feeds, labour, interest, depreciation, etc., and during the years 1921 and 1922 the meal consumed by these cows actually cost $47.50 per ton on the open market. This is equivalent to oats at 79·2 cents and barley at $1.16 and feed wheat $1.44 per bushel.

Pigs at the Experimental Farm, Ottawa have shown a healthy profit over all costs. In this case meals cost $31.20 per ton, which equals oats at 52 cents and barley at 76 cents and feed wheat at 95 cents per bushel.

In all the above cases it must be remembered that the cost of crushing is offset many times over by having as haulage of grain to market, no losses of grades, dockage, commissions, etc., etc.

PROFITS IN BEEF PRODUCTION

The following facts show the profit to be made *at present*. From these it is most apparent the western farmers especially have a great opportunity for revenue and profits as he has great supplies of grain and at low prices.

WINTER FINISHING STEERS (OTTAWA)

The cost of Feed, Pounds Gain, and Possible Profits

——	Average 25 lots 15 years
	lbs.
Meal consumed per day	4·35
Silage and roots consumed per day	43·2
Hay consumed per day	5·00
Meal consumed per lb. gain	2·27
Silage and roots consumed per lb. gain	22·6
Hay consumed per lb. gain	2·6
Daily gain per steer	1·91
Cost per lb. gain	6·24
Profit per steer	8·70

The following table gives the average conditions of the market and results as regards spread in price or margin between buying and selling price of steers fed at *the Central Experimental Farm, Ottawa, over a period of twenty-five years.*

——	Buying price	Selling price	Spread	Profit per steer
	$ cts.	$ cts.	$ cts.	$ cts.
Average for 25 years	5 23	6 82	1 59	8 00
Spread $1.60 and over	4 87	6 93	2 06	12 88
Spread less than $1.60	5 48	6 73	1 25	5 20
Largest spread	2 50	6 50	4 00	17 77
Lowest spread	4 90	5 25	0 35	— 3 60

APPENDIX No. 3

STEER FINISHING—NAPPAN, N.S.

Year	Number of steers	Value of feeds as charged	Average daily gain	Cost per pound gain	Cost per steer per day	Profit per steer over feed cost
1913–14	27	Hay....$ 8 00 Roots... 2·00 Meal.... 26·00	2·29	6·25	18·89	28·00
1914–15	24	Hay.... 8·00 Roots.. 2·00 Meal.... 30·00	2·00	9·48	18·96	19·00
1915–16	16	Hay.... 8·00 Roots.. 2·00 Meal.... 30·00	2·01	11·66	23·44	13·75
1916–17	34	Hay.... 8·00 Roots... 2·00 Meal.... 32·80	1·77	10·51	18·60	36·13
1917–18	42	Hay.... 8·00 Roots.. 2·00 Meal.... 54·00	2·33	13·71	31·94	32·50
1918–19	24	Hay.... 8·00 Roots... 2·00 Meal.... 49·20	1·78	15·26	27·16	43·66
1919–20	23	Hay.... 8·00 Roots.... 2·00 Meal 61·80	2·01	22·46	45·14	16·75
1920–21	26	Hay.... 8·00 Roots... 2·00 Meal.... 63·60	1·98	9·80	10·40	5·50

SPREAD IN PRICES

Year	Fall cost price	Spring selling price	Spread
	per cwt. $ cts.	per cwt. $ cts.	per cwt. $ cts.
1913–14	7 23	9 00	1 77
1914–15	6 25	8 25	2 00
1915–16	6 25	8 10	1 85
1916–17	6 25	10 00	3 76
1917–18	8 00	11 00	3 00
1918–19	8 25	13 00	4 75
1919–20	9 52	13 00	3 48
1920–21	8 25	9 13	0 88

STEER FINISHING—BRANDON, MAN.

Profit that is Profitable

While the argument already presented goes to indicate that the feeding of steers over winter should be a profitable undertaking, that conclusion will be more positively reached if actual results showing such profits are submitted. As steer feeding has been carried on at *Brandon Experimental Farm* for many years, and accurate records kept of the feeds consumed, such figures are available. Granted suitable cattle for feeding, and proper care and feeding, the profit or loss on the undertaking depends on the spread between purchasing price and selling price. The following are some results obtained at Brandon that are considered typical:—

PROFITS MADE ON STEER FEEDING

Year	Spread between buying price at stock-yards and selling price at stock-yards	Profit or labour income per steer
1911–12	$2.50 per cwt.	$18 13
1913–14	1 60 "	1 13
1914–15	2 75 "	7 88
1915–16	2 60 "	16 44
1916–17	4 10 "	22 11
1921–22	3 67 "	11 72

1911–12 prices are based on purchase and sale at the Farm.

STEER FINISHING—SCOTT

Profits from Finishing Steers by Winter Fattening

Year	Number fed	Cost including feed	Selling price	Total profit or loss	Profit or loss per animal
		$ cts.	$ cts.	$ cts.	$ cts.
1916–17	38	3,158 77	4,144 38	955 61	25 15
1917–18	19	1,897 74	2,235 64	337 80	17 77
1918–19	None fed				
1919–20	20	2,623 83	3,008 88	385 05	19 25
1920–21	20	2,009 86	1,773 71	236 15	−11 80
1921–22	24	1,191 37	1,706 18	514 81	25 74

The average profit per steer amounted to $16.17 for the 121 animals fed.

SPREAD IN PRICES

Spread in Prices between Autumn and Spring in Steers Purchased for the Feeding Experiments at Scott

Year	Purchase price Autumn per cwt.	Selling per cwt.	Spread per cwt.
	$ cts.	$ cts.	$ cts.
1916–17	6 14	9 40	3 26
1917–18	7 00	10 35	3 35
1919–20	9 03	12 05	3 02
1920–21	7 94	7 66 loss	0·28
1921–22	3 44	6 23	2 70

Average spread in prices for five years 2·42.

PROFITS IN MILK PRODUCTION

Space does not permit details as to the determining factors in profitable milk production. Cheaply grown feeds of high quality, good care, liberal feeding and consequent heavy production are the greatest requisites.

The following table (one of many such available from the Experimental Farms) shows a fair profit over all costs and under adverse conditions due to shortage of good pasture, highest costs for all labour, feeds, etc., cows not able to give maximum production due to feeding and other experiments, etc., etc.

The greater portion of the milk was produced under winter conditions, hence at greater cost per cwt.

FIVE-YEAR AVERAGE AT CENTRAL EXPERIMENTAL FARM

Year ending March	Production				Feeds Consumed				
	Number cows	Days in milk	Milk produced	P.c. fat	Meal	Ensilage	Hay	Green feed	Pasture
			lbs.		lbs.	lbs.	lbs.	lbs.	mos.
1922	44	351	8,994	4·00	3·124	13,827	2,288	404	2
1921	42	306	8,336	3·7	2,902	11,201	2,157	342	2
1920	67	311	8,153	3·9	2,683	12,761	2,321	98	2
1919	61	312	7,755	3·89	2,555	10,835	2,247	610	2
1918	55	325	8,065	4·10	2,618	11,066	1,810	1,714	2
	269	1,605	41,303	19·59	13,883	59,490	10,823	3,168	10
Average 5 years	54	321	8,260	3·92	2,776	11,898	2,164	633	2

2,776 pounds meal at $32 per ton	$44.42
11,898 pounds ensilage at $4 per ton	23.78
2,164 pounds hay at $10 per ton	10.82
633 pounds green feed at $5 per ton	1.58
2 months pasture at $1 per month	2.00
Total cost	$82.60
Feed cost of milk production	$1.00 per cwt.

The feed cost for producing this 8,260 pounds of milk being about 60 p.c. (a smaller per cent than necessary on a normal dairy farm), the total cost of producing the 8,260 pounds of milk would be $135.64, and the average cost per cwt., $1.66.

PROFIT IN PORK PRODUCTS

The following brief facts from the Experimental Farm, Ottawa, also show the Swine Industry to be in *a real healthy condition.*

Cost to Produce Pork, 1922. Average Results of 12 lots of pigs of 3 breeds.

Average daily gain per animal	1.21 lbs.	
Meal consumed per lb. gain	2.59 lbs.	
Milk consumed per lb. gain	8.28 lbs.	
Feed Cost per pound of gain	6.63 cents	
Average feed cost of pigs at start of test: (Pigs 2½ months of age) (Including feed of dam)		$ 3.08
Average cost from start of test to finish:		
Initial weight of hogs 49.9 lbs., finished weight of hogs 210.1 lbs.	10.61	
Total feed cost		$13.69
1. 210.1 lbs. pork at 11 cents	23.11	
Profit over feed	9.42	
2. Feed cost plus 35 per cent overhead, labour, etc...	18.48	
Net profit	4.63	
Feeds were charged at:		
Meal	$31.20 per ton.	
Milk	.30 per cwt.	

FEED COST TO RAISE SOW TO ONE YEAR

Feed of Brood Sow Weaning to Farrowing—

456 lbs. Shorts	at $32.00 per ton	$7.30	
130 lbs. Bran	at 30.00 per ton	1.95	
130 lbs. Mxd. Chop	at 35.00 per ton	2.27	
213 lbs. Roots	at 4.00 per ton	.42	
			$11.94

Feed of Brood Sow Farrowing to Weaning, including feed of young pigs—

385 lbs. Shorts	at $32.00 per ton	$6.16	
107 lbs. Bran	at 30.00 per ton	1.60	
102 lbs. Mxd. Chop	at 35.00 per ton	1.78	
14 lbs. Roots	at 4.00 per ton	.03	
723 lbs. Skim Milk	at .25 per cwt.	1.81	
			$11.38

Feed Cost of 8 pigs to 10 weeks of age, including cost of sow since weaning former litter	23.32	
Feed Cost per Pig	2.91	

Feed Cost from 10 weeks to 6 months—

219 lbs. Shorts	at $32.00 per ton	$3.50	
73 lbs. Bran	at 30.00 per ton	1.09	
73 lbs. Mxd. Chop	at 35.00 per ton	1.27	
272 lbs. Skim Milk	at 5.00 per ton	.68	
			6.54

Feed Cost from 6 months to 1 year—

483 lbs. Shorts	at $32.00 per ton	$7.72	
104 lbs. Bran	at 30.00 per ton	1.56	
104 lbs. Mxd. Chop	at 35.00 per ton	1.82	
584 lbs. Skim Milk	at 5.00 per ton	1.46	
			12.56

APPENDIX No. 3

Summary of Feed Cost to raise young Sow to one year—

Brood Sow and Litter to weaning, per pig		$ 2.91
Young Sow 10 weeks to 6 months		6.54
Young Sow 6 months to one year		12.56
Total		$22.01
Feed Cost	$9.38 at 180 lbs.	
Plus 35 per cent	3.28	
Total Cost	$13.66	
Present Sale Value	18.00	
Profit	$ 4.34	

Conclusion

The above facts drawn at random from only Animal and Field Husbandry and from only a few Eperimental Farms serve to illustrate the facts for which there is evidence for almost every department of the farm. It is true—all farmers cannot be seed specialists. All farms may not produce horticultural crops profitably or even that some farmers might not be able to make profit from poultry at the present time, yet every fair farm, intelligently handled, has many chances for profitable production. Nor can any farmer determine his profit or losses in any or all departments of his farm without accurate records of costs.

Nevertheless, even at the present time, the farmer who is efficient, who avails himself of present opportunities, who is industrious and determined, may farm profitably. The fact that many farmers are doing so is sufficient proof.

EXPORT OF CERTIFIED SEED POTATOES TO THE UNITED STATES

	1920	1921	1922
	bushels	bushels	bushels
Prince Edward Island	15,000	34,800	72,000
New Brunswick	8,400	20,400	60,000
Ontario	1,200	3,600	
Manitoba		4,800	600

Canada, a northern country, has the greatest opportunity to produce hardy, disease free seed which will always be in very keen demand in more southern countries. Seed potatoes offer special possibilities in this direction and the whole of Eastern Canada has an unlimited field in their production. "Certified seed potatoes" is a term used to describe potatoes which have been carefully inspected twice during the growing season and twice in the bins and after being shipped and certified as to grade, purity of variety and above all, freedom from diseases, bruises, etc., except in very small percentages. This guarantees vigour of seed and ability to produce heavy crops of good commercial seed potatoes and maximum crops of table potatoes.

This work of potato certification started in 1915 and bore its first fruits in 1918, when a few small shipments were made to the United States. These shipments showed their remarkable vigour and freedom from diseases throughout potato growing areas to the south in the crop season of 1919. As a result, in 1920 the first heavy exports were made. It will be noted from the figures given above that the increase in export has amounted to over 100 per cent per annum during the last three years. These figures, especially for 1922, do not

take into consideration the very large quantities of such seed which were certified to in the field but which were sold for seed use within Canada or for export to the United States as "bin-run" or bulk shipments. Probably from three to five times as many were exported in this way as were finally inspected, bagged, tagged and certified to. The majority of these bulk shipments would, without doubt, have qualified for final certification.

The prices of certified seed in Prince Edward Island and New Brunswick during the fall of 1922 and the spring of 1923 ranged from two and a half to three and a half times as high as commercial table potatoes. Of the latter there was a glut on the market; of the former a demand for nearly one hundred per cent more than the stock available. Hence the farmer producing seed potatoes obtain larger yields, is able to command a much higher price and no tariff wall is able to cause a glut in the market in his product.

EXHIBIT No. 223

INFORMATION

FURNISHED BY THE

BOARD OF GRAIN COMMISSIONERS OF CANADA

as to amounts and grades of grain received into and shipped out of Private Terminal Elevators at the Head of the Lakes, for the crop years 1917 - 18, 1918 - 19, 1919-20, 1920-21, 1921-22, as required by order of the Committee dated March 8th, 1923

EXHIBIT No. 223

HOUSE OF COMMONS, CANADA

SPECIAL COMMITTEE ON AGRICULTURAL CONDITIONS

MONDAY, March 12, 1923.

LESLIE H. BOYD, Esq.,
Chairman Grain Commissioners,
Fort William, Ontario.

DEAR SIR,—The Special Committee of the House of Commons to inquire into Agricultural Conditions have instructed me to secure from you the following information before Saturday, the thirty-first day of March instant:—

1. A statement showing grades in and out of each of the private terminal elevators since Sample Market Legislation came into force, up to end of August, 1922.

2. A statement of the quantity of tough and damp grain received by each of the private elevators and the quantities dried by each elevator.

3. A statement of the amount of grain graded out and transferred from each of the private terminal elevators by rail to public terminal elevators at the head of the lakes.

Will you be kind enough to comply with the above request which is contained in a formal Resolution of the Committee as shown on page 17 of the enclosed report.

Yours truly,
S. R. GORDON,
Clerk to Committee.

BOARD OF GRAIN COMMISSIONERS FOR CANADA,
FORT WILLIAM, ONT., March 31, 1923.

S. R. GORDON, Esq.,
Clerk, Special Committee on Agricultural Conditions,
House of Commons,
Ottawa, Can.

DEAR SIR,—Under instructions of the Board of Grain Commissioners, I have forwarded to your address, under registered cover, to-day, statements showing all the information available from the records of the Board, in accordance with the Chief Commissioner's letter of the 23rd inst.

Yours truly,
F. J. RATHBONE,
Acting Secretary.

BOARD OF GRAIN COMMISSIONERS FOR CANADA,
FORT WILLIAM, ONT., March 31, 1923.

S. R. GORDON, Esq.,
Clerk, Special Committee on Agricultural Conditions,
House of Commons,
Ottawa, Can.

DEAR SIR,—With further reference to the statements sent you under separate cover, to-day, I am directed to advise that the Board cannot furnish full information with regard to the amount of grain that is dried at each private elevator as the Board's records do not show this information. These statements, however, include reports covering two crop years from several elevators

which, since operating as private terminals, have continued to furnish reports as required of them while formerly operating as public terminal elevators.

The Board would also point out that warehouse receipts as to grade and quantity of each kind of grain received into public terminal elevators are registered by the Registration Department and it is necessary that all grain dried is reported to the Board in order that its records may be complete. In the case of private terminal elevators, however, warehouse receipts are not registered by the Board except in special cases and then as to quantity only, which accounts for private terminal elevators not being required to furnish a report showing the amount of grain dried in their elevators.

Yours truly,

F. J. RATHBONE,
Acting Secretary.

HOUSE OF COMMONS, CANADA

SPECIAL COMMITTEE ON AGRICULTURAL CONDITIONS

MONDAY, April 9, 1923.

F. J. RATHBONE, Esq.,
Board of Grain Commissioners for Canada,
Fort William, Ontario.

DEAR SIR,—This will acknowledge receipt of two letters dated March 31st, one of which advises that you have forwarded under registered cover, statements showing all the information available from the records of the Board in accordance with our request of Monday, March 12th.

The other being an explanatory letter giving reasons why certain information requested is not available.

Yours truly,

S. R. GORDON,
Clerk to Committee.

BOARD OF GRAIN COMMISSIONERS FOR CANADA

ANNUAL REPORT—OF HANDLINGS OF GRAIN AT PRIVATE TERMINAL ELEVATORS, WINNIPEG, FORT WILLIAM AND PORT ARTHUR

CROP YEAR 1917-18

INDEX

Winnipeg:—	PAGES
Anchor	1953
Crown	1954
Paterson's	1956
Fort William and Port Arthur —	
Black's	1958
Bole's	1960
Davidson & Smith's	1962
Dwyers	1964
United Grain Growers "H"	1966
Merchants	1968
Muirheads	1970
Mutual	1972
National	1975
Paterson's	1979
Roy	1984
Superior	1986
Western "G"	1989

APPENDIX No. 3

Board of Grain Commissioners for Canada

Fort William, January, 1919.

R. Hetherington, Esq.,
Secretary, Board of Grain Commissioners,
Fort William, Ont.

Dear Sir,—I beg to transmit the detailed statements comprising the Annual Report of Receipts and Shipments of Grain, by Grades, at the Private Terminal Elevators, Fort William and Port Arthur and Winnipeg, during the Crop Year 1917-1918.

The statement for Davidson & Smith's elevator covers the period during which they operated under a Private Terminal Elevator license only, viz September 1st to October 4th, 1917.

Yours faithfully,
E. A. URSELL,
Statistician.

BOARD OF GRAIN COMMISSIONERS FOR CANADA

Statement—Showing the Receipts and Shipments by Grades of each kind of Grain at Anchor Private Terminal Elevator—Winnipeg—during the Crop Year 1917-1918

Grade	Receipts	Shipments
Wheat—		
1 Nor	4,025-50	3,838-30
3 Nor	1,669-40	1,481-50
No. 4	217-10	770-40
No. 6	1,663-35	1,100-00
Feed	12,865-27	7,224-40
Sacked	35-50	616-40
N. Grade No. 6 Dp	489-00	.....
N.G. Feed Tough	280-30	.....
Smutty 3 Nor	323-20	.....
Smutty No. 4	323-40	.....
N. G. No. 4 Dp. Mix. Htd. & Htg	988-50	.....
Rej. Feed Mix. Fireburnt	.....	1,100-00
N.G. Cond. Tf. Fireburnt	.....	40,200-00
Cond. burnt	.....	27,104-30
Total	22,852-52	83,436-50
Oats—		
1 C.W	.....	1,840-00
2 C.W	87,725-10	45,893-33
3 C.W	52,544-04	17,508-28
Ex. 1 Feed	243,587-17	123,637-07
1 Feed	481,837-07	379,092-12
2 Feed	512,445-00	302,506-21
Rej	147,881-21	11,126-26
N.G. Tf. 2 C.W	5,822-22	2,229-04
N.G. Tf. 3 C.W	4,210-20	1,941-06
N.G. Ex. 1 Feed	33,846-31	11,566-06
N.G. 1 Feed	72,973-08	27,893-28
N.G. 2 Feed	52,905-20	5,751-16
Rej. N.G. Tf	15,697-07	.....
N.G. Rej. Tf. Mix. Htd	5,678-23	.....
Rej. Mix. Htd	7,550-10	9,075-30
N.G. Cond. Htd. & Htg	2,995-25	.....
N.G. Cond. Fireburnt Tf	.....	11,477-02
Cond. Fireburnt	.....	8,411-26
Sacked	.....	600-00
Total	1,727,701-21	961,182-07
Wild Oats	1,622-22	.....

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, etc. during the Crop Year 1917-1918—*Continued*

Grade	Receipts	Shipments
Barley—		
3 C.W.	4,301-32	3,025-30
4 C.W.	19,556-02	24,585-41
Feed	20,534-18	16,341-07
Reg.	874-24	.....
N.G. Tf. 3 C.W.	517-34	.....
N.G. Tf. 4 C.W.	7,082-44	4,644-03
Rej. Mix. Htd.	.....	823-16
N.G. Cond. Tf. Fireburnt	.....	2,815-20
Total	52,865-10	52,233-21
Rye		
1 C.W.	923-12	923-42
2 C.W.	3,374-36	15,824-06
Rej.	64,446-44	45,565-00
Total	68,744-36	62,312-48
Flax—		
Cond. Fireburnt	.....	821-29
Mixed Grain—		
Oats & Wild Oats	9,785-20	.....
N.G. Oats & Wild Oats	1,523-13	.....
		lbs.
Mixed Grain	12,981-11	3,760-00
		or 127,840
	24,290-10	825,379
		127,840
	Lbs.	Lbs.
Screenings	6,454,445	1,184,060

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades of each kind of Grain at the "Crown" Private Terminal Elevator, Winnipeg, during the Crop Year 1917-1918.

Grade	Receipts	Shipments
Wheat—		
1 Hard	1,115-00	.....
1 Nor.	314,991-20	399,223-00
2 Nor.	127,717-50	93,175-50
3 Nor.	71,188-20	67,639-10
No. Four	36,758-10	31,679-00
No. 5 Special	588-50	.....
No. Five	12,091-40	15,650-10
No. Six	8,919-20	11,900-00
Feed	5,559-20	8,000-00
Rej. 1 Nor.	92,646-00	46,900-00
Rej. 2 Nor.	22,338-50	21,366-40
Rej. 3 Nor.	6,898-10	4,766-40
Rej. No. 4	662-40	.....
N.G. Tf. 1 Nor.	5,303-30	.....
N.G. Tf. 2 Nor.	6,330-30	.....
N.G. Tf. 3 Nor.	487-00	.....
N.G. Tf. No. 4	1,266-10	.....
N.G. Tf. No. 5	3,263-40	.....
N.G. Tf. No. 6	2,208-20	.....
N.G. Tf. Feed	1,083-00	.....
N.G. Tf. Rej. 1 Nor.	3,007-10	.....
N.G. Tf. Smutty 3 Nor.	.....	430-30
Smutty 3 Nor.	227-50	.....
Smutty Rej. 1 Nor.	950-00	1,000-00
Total	725,602-40	701,731-00

APPENDIX No. 3

BOARD OF GRAIN COMMISSIONERS FOR CANADA—*Continued*

STATEMENT—Showing the Receipts and Shipments, etc., during the Crop Year 1917-1918—*Concluded*

Grade	Receipts	Shipments
Oats—		
2 C.W.	12,123-18	13,305-30
3 C.W.	21,024-14	9,705-30
Extra 1 Feed	303,125-00	104,117-22
1 Feed	198,011-16	389,286-06
2 Feed	220,391-06	46,564-24
Rej.	101,692 12	110,635 10
Sacked		100,400-00
N.G. Tf. 3 C.W.	3,128 28	
N.G. Tf. Ex. 1 Feed	15,177 32	
N.G. Tf. 1 Feed	43,988-18	
N.G. Tf. 2 Feed	30,904-04	
N.G. Tf. Rej.	5,212 22	
Rej. Mix. Htd.	5,618 08	
Total	960,398-08	774,015-20
Mixed Grain—		lbs
Mixed Grain No. 3	1,849 14	
Oats and Wild Oats	1,993-18	428,850
N.G. Tf. Oats and Wild Oats Mix	8,770 10	
Barley and Wild Oats	1,460-00	70,080
Total		498,930
Barley—		
3 C.W.	27,115-40	39,531-02
4 C.W.	48,260-30	47,564-18
Feed	16,839-38	38,303-16
Rej.	22,000-40	14,041-32
N.G. Tf. 3 C.W.	12,787-04	
N.G. Tf. 4 C.W.	11,370 20	
N.G. Tf. Feed	4,185-00	
N.G. Tf. Rej.	1,241-12	
Total	143,800-40	139,440-20
Flax—		
1 N.W.C.	5,140-00	5,907-18
2 C.W.	1,560-10	
Flax & Broken Wheat		480-00
Total	6,700-10	6,387-18
Rye—		
2 C.W.	2,153-02	3,308-42
Rej.	3,957-18	2,846 34
Total	6,110-20	6,155-20
	lbs.	lbs.
Screenings	777,880	1,740,480

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades of each kind of Grain at Paterson's Private Terminal Elevator—Winnipeg, during the Crop Year 1917-1918.

Grade	Receipts	Shipments
Wheat—		
1 Nor	151,200-10	139,463-00
2 Nor	95,986-50	111,687-00
3 Nor	70,921-30	70,948-50
No. Four	34,308-30	40,596-30
No. Five	29,290-20	36,494-10
No. Six	27,870-30	37,138-30
Feed	7,596-50	7,533-20
Rej. 1 Nor	3,389-20	.....
Rej. 2 Nor	1,166-40	.....
Rej. 3 Nor	4,667-50	1,545-50
Rej. No. 4	1,351-30	.....
N.G. Tf. 1 Nor	1,076-20	1,833-20
N.G. Tf. 2 Nor	4,712-40	.....
N.G. Tf. 3 Nor	613-10	3,300-00
N.G. Tf. No. 4	2,941-40	1,087-30
N.G. Tf. No. 5	2,380-40	.....
N.G. Tf. No. 6	2,128-40	.....
N.G. Feed Dp	1,769-30	460-50
Smutty 2 Nor	3,443-10	2,000-00
Smutty 3 Nor	.....	2,038-20
Smutty No. Four	1,570-20	.....
Smutty Feed	4,162-10	2,897-50
Rej. 3 Nor. Mix. Htd	1,063-10	.....
N.G. Tf. Cond. F'bt. Mix. Cinders	3,492 40	.....
N.G. Tf. Cond. Fireburnt	1,090-00	3,300-00
Cond. Fireburnt Mix. Cinders	1,265-00	.....
Cond. Fireburnt	1,433-20	3,661-40
Total	460,892-30	465,986-40
Oats—		
2 C.W	64,881-26	70,038-28
3 C.W	45,542-02	9,739-24
Ex. 1 Feed	134,335-00	233,245-20
1 Feed	259,737-22	205,611-06
2 Feed	222,266-26	188,996-16
Rej	68,114-34	174,878-08
N.G. Tf. 2 C.W	18,255-20	.....
N.G. Tf. 3 C.W	11,141-11	.....
N.G. Ex. 1 Feed Tf	13,615-10	3,829-14
N.G. Tf. 1 Feed	28,689-24	11,650-00
N.G. Tf. 2 Feed	20,811-16	9,652-32
N.G. Tf. Rej	4,327-32	2,000-00
Rejected N.G. Tf. Mix. Htd	7,527-12	2,013-28
Rej. Mix. Htd	1,845-20	13,588-08
Total	901,092-07	925,244-14
Barley—		
3 C.W	17,217-24	15,288-26
4 C.W	63,311-42	80,928-06
Feed	22,717-44	40,975-00
Rejected	10,936-22	5,535-20
N.G. Tf. 3 C.W	8,549-28	4,365-30
N.G. Tf. 4 C.W	6,077-34	2,022-44
N.G. Tf. Feed	3,798-36	.....
Total	132,609-38	149,115-30
Flax—		
1 N.W.C	5,579-06	6,677-48
3 C.W	957-38	957-38
Flax and Broken Wheat	28-52	.....
Total	6,565-40	7,635-30

APPENDIX No. 3

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, etc., during the Crop Year 1917-1918—*Concluded*

Grade	Receipts		Shipments	
		Lbs.		Lbs.
Rye—				
2 C.W			464-16	473-42
Rejected			2,339-06	2,339-06
Total			2,803-22	2,812-48
Mixed Screenings—				
Oats and Wild Oats	3,272-02	111,250	1,941-06	66,000
Oats and Wild Oats and Barley			5,882-12	200,000
Barley and Wild Oats	1,219-38	58,550		
		169,800		266,000
Mixed Grain	11,986-26 3,755-00	535,220	108-08 57-12	5,630
Total		705,020		271,630
Screenings		3,406,550		2,674,170

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades of each kind of Grain at Black's Private Terminal Elevator—Fort William—during the Crop year, 1917-1918

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bushels	Net Bushels	Net Bushels	Net Bushels	Net Bushels	Net Bushels	Net Bushels
Wheat—							
1 Nor	2,605-30		2,605-30	630-00			630-00
2 Nor	6,837-10		6,837-10		1,100-00		1,100-00
3 Nor	197,031-30		197,031 30	197,143-00	28,400-00	24,700-30	172,243-30
No. 4	139,220 20	24,615-00	163,835 20	202,943 00	57,100 00	83,338 50	343,381-50
No. 5	84,310-30	31,741 10	116,051-40	50,585-50	19,666-40	78,546-10	148,798-40
No. 5 Special		2,031-40	2,031-40	5,879-00			5,879 00
No. 6	60,266-10	27,072-20	87,338-50		9,566-40	9,044-50	18,611-30
Feed	5,262-10	24,734-40	29,996 50		1,020-50	33,028-20	34,049-10
Rej. 1 Nor	5,402-00		5,402-00			789-40	789-40
Rej. 2 Nor	5,122 00		5,122-00				
Rej. 3 Nor	5,107 10		5,107-10				
Rej. No. 4	4,532-10		4,532-10				
Smutty 2 Nor	3,992 50		3,992-50				
Smutty 3 Nor	2,469-50		2,469-50				
Smutty No. 4	2,885-50		2,885-50				
Smutty Cond. No. 2					1,566-40		1,566-40
N.G. Tf. 2 Nor	12,549-40		12,549-40				
N.G. Tf. 3 Nor	13,528-00	15,399-10	28,927-10				
N.G. Tf. No. 4	3,484-10	12,733 30	16,217 40				
N.G. Tf. No. 5	5,456-50	5,351-30	10,808-20				
N.G. Tf. No. 6	3,203-40	1,098-20	4,302-00				
N.G. Tf. Feed	333 00	1,020-50	1,353-50				
N.G. Tf. Rej. 3 Nor	973-00		973-00				
N.G. Tf. Smutty No. 4	1,083-10		1,083-10				
N.G. Tf. 2 Nor. Htg	964-30		964-30				
N.G. Tf. Smutty Rej. 3 Nor. Mix. Htd		2,322-10	2,322-10				
Rej. 2 Nor. Mix. Htd	1,996-20		1,996-20				
Rej. No. 4 Mix. Htd						1,127-20	1,127-20
Rej. No. 5 Mix. Htd	1,113 10		1,113-10				
Condemned No. 1					2,200-00		2,200-00
Sample	2,073-20	22,268-50	24,342 10				
Total	571,804-00	170,389-10	742,193 10	379,180 50	120,620-50	230,575-40	730,377-20

Oats—							
2 C.W	1,772-12		1,772-12			1,667-02	1,667-02
3 C.W		3,541 26	3,541 26		1,941 06		1,941-06
Ex. 1 Fd	2,183-18	3,944 04	6,127-22	11,141 06	12,470 20		23,611-26
1 Fd	11,490 10	8,970-30	20,461-06	5,000 00	10,941 06	2,021 06	17,962-12
2 Fd	13,579 24		13,579 24	3,677-02	2,352 32		6,030-00
Rej	6,113-08	8,036-16	14,149-24		15,529-14	6,520-00	22,049-14
N.G. 2 C.W. Tf		1,948 08	1,948 08				
N.G. 3 C.W. Tf		1,777-22	1,777-22				
N.G. ex. 1 Fd. Tf		3,965-20	3,965-20				
N.G. 1 Fd. Tf	1,774 24	1,629 04	3,403 28				
Sample		1,667-02	1,667-02				
Total	36,913-28	35,480 30	72,394 24	19,818 0[illegible]	43,235-10	10,208 08	73,261 26
Flax—							
1 N.W.C						4,469-54	4,469-54
Sample		4,476-20	4,476-20				
Total		4,476-20	4,476-20			4,469-54	4,469-54
Mixed Grain	Lbs. 55,390	Lbs. 32,940	Lbs. 88,330				
Screenings					Lbs. 529,000		Lbs. 529,000
Scalpings						Lbs. 41,350	Lbs. 41,350
Elevator By Products						Lbs. 120,000	

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT— Showing the Receipts and Shipments by Grades of each kind of Grain at Bole's Private Terminal Elevator—Fort William—during the crop year, 1917–1918

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bushels	Net Bushels	Net Bushels	Net Bushels	Net Bushels	Net Bushels	Net Bushels
Wheat—							
1 Nor	1,396-40		1,396-40		1,389-10	691-00	2,080-10
No. 4						831-10	831-10
Feed	1,134-00		1,134-00		1,100-00		1,100-00
Rej. Fd		1,000-10	1,000-10				
Smutty Rej. No. 6 Mix. Htd		540-00	540-00				
N. G. Tf. 3 Nor						412-20	412-20
N.G. Tf. Feed		821-40	821-40				
N.G. Tf. Sm. Rej. No. 6 Mix. Htd		481-40	481-40			518-40	518-40
N.G. Tf. Cond. No. 1	262-10		262-10				
N.G. Tf. Cond. No. 2		545-50	545-50				
N.G. Tf. Cond. No. 1 Htd	1,006-00		1,006-00				
N.G. Tf. Cond. Fbt	293-10		293-10				
Rej. 1 Nor. Mix. Htd	1,092-50		1,092-50		1,092-50		1,092-50
Rej. No. 6 Mix. Htd	1,998-40		1,998-40		971-40		971-40
Rej. Fd. Mix. Htd	1,084-40	1,098-10	2,182-50		1,084-40		1,084-40
Rej. No. 4 Rej. Mix. Htd						520-00	520-00
Cond. No. 1		464-50	464-50				
Cond. No. 2	993-50	390-00	1,383-50				
Cond. No. 1 Htd		431-30	431-30				
Sample		842-10	842-10				
Total	9,262-00	6,616-00	15,878-00		5,638-20	2,973-10	8,611-30
Oats—							
2 C.W	2,965-10	7,967-32	10,933-08				
3 C.W	3,196-06		3,196-06				
Ex 1 Fd	2,809-24	3,953-28	6,763-18				
1 Fd	9,210-10	23,411-06	32,621-16				
2 Fd	23,748-28	47,388-08	71,137-02		33,597-32	61-26	33,659-24
Rej	2,261-16	68,149-04	70,410-20		26,014-14		26,014-14
N.G. Tf. 2 C. W	1,855-16	5,047-08	6,902-12				
N.G. Tf. 3 C. W	1,937-22	8,389-24	10,327-12				
N.G. Tf. Ex. 1 Fd		8,047-02	8,047-02				
N.G. Tf. 1 Fd	1,758-28	27,533-18	29,292-12				
N.G. Tf. 2 Fd	4,714-04	50,237-18	54,951-22		5,827-22		5,827-22
N.G. Tf. Rej	1,784-14	15,365-10	17,149-24		5,761-06		5,761-06

N.G. Tf. Rej. Mix. Htd	591 06	6,921-20	7,512 26		1,990-10		1,990-10
N.G. Tf. Cond		1,865-00	1,865-00				
N.G. Tf. Cond. Htd	1,350 20		1,350-20				
Rej. Mix. Htd	13,707 12	30,433-08	44,140 20		11,176 26		41,176-26
Cond		748 28	748 28		2,352 32		2,352 32
Cond. Htd	1,587 12	7,416-16	9,003-28				
Sample		47,917 12	47,917 12				
Total	73,478 18	360,792 30	434,271 16		116,721 66	61 20	116,782 32
Flax—							
1 N.W.C	924-18		924-18			924-18	924-18
	Lbs.	Lbs.	Lbs.		Lbs.		Lbs.
Mixed Grain	45,250	277,850	323,100		132,000		132,000
	Lbs.		Lbs.				
Scalpings	630,310		630,310				
		Lbs.	Lbs.				
Standard Stock Food		63,370	63,730				

Statistician.

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades of each kind of Grain at the Davidson & Smiths' Private Terminal Elevator—Port Arthur—during the Crop Year 1917.1918

Grade	Receipts from West	Transfer receipts	Transfer via S.S. Van Allen	Total receipts	Shipments by vessels	Shipments by rail	Transfers	Total shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—								
1 Hard	18,966 40			18,966-40				
1 Nor	201,815-50		14,900-00	216,715-50	219,000-00			219,000-00
2 Nor	16,642-50		12,019-20	28,662-10	166,000-00			166,000-00
3 Nor	19,670-00		63,868-00	83,538-00	160,000-00			160,000-00
Dried 3 Nor			2,661-30	2,661-30				
Dried No. Four	4,993-30	1,098-50	108,671-50	114,764-10	111,000-00		55,000-00	166,000-00
No. 4 Special			3,518-40	3,518-40				
No. 5	2,271-40		57,610-40	59,882-20				
No. 5 Special			4,892-50	4,892-50				
No. 6			37,609-40	37,609 40				
No. 6 Special			4,422 10	4,422 10				
Feed	861-50		4,811-40	5,683 30				
Rej. 1 Nor	26,838-30		10,046-40	27,885-10				
Rej. 2 Nor	10,012-50		585 50	1,598 40				
Rej. No. 4			559-30	559-30				
Rej. Feed			69 50	69-50				
Smutty No. 4			977-00	977-00				
Smutty No. 5			537-30	537-30				
Smutty No. 6			100 20	100-20				
Smutty Rej. 3 Nor. Mix Htd			1,001-40	1,001-40				
N.G. Tf. 1 Nor	3,424-20		6,175-10	9,599-30				
N.G. Tf. 2 Nor	1,192-30		6,673-40	7,866-10				
N.G. Tf. 3 Nor	2,042 40		20,366-30	22,409-10				
N.G. Tf. No. 4	1,035-20		5,628 20	6,663-40				
N.G. Tf. No. 4 Special			9,770-50	9,770-50				
N.G. Tf. No. 5	726-40		9,512-30	10,239-10				
N.G. Tf. No. 5 Special			1,418-40	1,418-40				
N.G. Tf. No. 6			1,931-50	1,931-50				
N.G. Tf. Feed			412 50	412-50				
N.G. Tf. Smutty 2 Nor			1,503-30	1,503-30				
N.G. Tf. Smutty No. 4			770-50	770-50				
N.G. Tf. Smutty No. 5			1,141 00	1,141-00				
N.G. Tf. Rej. 3 Nor. Mix. Htd			501-40	501-40				
N.G. Tf. Rej. No. four Mix. Rtd			786-50	786-40	120,000-00			120,000-00
N.G. Tr. Smutty Rej. 3 Nor			1,426-10	1,426-10				
Rej. 2 Nor. Mix. Htd			288-10	288-10				
Rej. 3 Nor. Mix. Htd			1,794-10	1,794-10				

Rej. No. 4 Mix. Htd			2,959-30	2,959-30				
Rej. No. 4 Special Mix. Htd			818-20	818 20				
Rej. No. 5 Mix. Htd			2,614 50	2,614 50				
Rej. No. 6 Mix. Htd			936-00	936-00				
Rej. Feed Mix. Htd			52-30	52-30				
Rej. 2 Nor. Mix. Fireburnt			220-30	220-30				
Rej. No. 5 Mix. Fireburnt			294-10	294-10				
Rej. Smutty No. 5 Rej. Mix. Htd			1,064-00	1,064 00				
2 A.R.W			97-040	970-40				
3 A.R.W			525-10	525-10				
Smutty 3 A.R.W			1,267-00	1,267 00				
	301,495 10	1,098 50	401,689 50	704,283 50	776,000-00		55,000 00	831,000 00
Oats—								
2 C.W	5,125820			5,125 20				
3 C.W			38 00	38-00				
1 Feed			635-30	635-30				
Total	5,125-20		673-30	5,799-16				
Barley—								
3 C.W	3,300-44			3,300 44				
4 C.W	4,509-08			4,509 88				
Feed	1,819 08			1,819 08				
Rej	3,332-24			3,332 24				
N.G. Tf. 3 C.W	1,857-24			1,857 24				
N.G. Tf. 4 C.W. Htg	1,131-12			1,131 12				
N.G. Tf. Feed Htg	1,424-18			1,424-18				
Total	17,374-42			17,374 42				
Rye—								
2 C.W	738-52			738 52				
							lbs.	lbs.
Screenings						575,000		575,000

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Statistician

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT— Showing the Receipts and Shipments by Grades of each kind of Grain at Dwyers Private Terminal Elevator, Fort William, during the Crop Year 1917-1918

Grades	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
1 Hard	3,236-50		3,236-50				
1 Nor	426,527-40		426,527-40	472,503-40	95,867-40	2,800-00	571,171-20
2 Nor	128,698-30	1,056-50	129,754-80		54,338-20	2,945-00	57,283-20
3 Nor	155,016-30		155,016-30	165,242-70	50,392-60	20,751-00	236,386-30
No. 4	92,555-10	40,580-40	133,135-50	50,241-60	56,867-50	56,067-50	163,176-60
No. 5	71,659-50	33,933-20	105,592-70	10,050-60	53,917-10	85,914-30	149,882-10
No. 6	53,508-00	14,788-00	68,296-00		16,814-50	33,601-10	50,416-00
Feed	20,112-50	2,255-20	22,368-10		14,758-40	1,333-20	16,092-00
Rej. 1 Nor	16,105-10		16,105-10				
Rej. 2 Nor	6,346-50		6,346-50				
Rej. 3 Nor	7,000-20		7,000-20				
Rej. No. 4	2,939-40	2,542-40	5,482-20				
Rej. No. 5					1,552-30		1,552-30
Smutty 3 Nor	62-00		62-00				
Smutty No. 5	120-40		120-40				
N.G. Tf. 1 Nor	6,244-20		6,244-20		1,566-40		1,566-40
N.G. Tf. 2 Nor	8,378-30	3,599-30	11,978-00				
N.G. Tf. 3 Nor	8,473-40		8,473-40		1,566-40	1,500-00	3,066-40
N.G. Tf. No. 4	3,692-50	6,330-20	10,023-10				
N.G. Tf. No. 5	4,143-40	2,365-10	6,508-50				
N.G. Tf. No. 6	2,832-50	3,013-00	5,845-50				
N.G. Tf. Feed	593-20		593-20				
N.G. Tf. Rej. 1 Nor	1,029-00		1,029-00				
N.G. Tf. Rej. 2 Nor	1,374-10	1,955-30	3,329-40				
Rej. No. 4 Mix. Htd	785-50	1,093-50	1,879-40		4,323-00		4,323-00
Rej. No. 5 Mix. Htd	723-50		723-50		935-00		935-00
Rej. No. 6 Mix. Htd					2,205-40		2,205-40
Rej. 2 Nor. Mix. Gravel		2,485-30	2,485-30				
Rej. 3 Nor. Mix. Sand Gravel		1,676-50	1,676-50			3,000-00	3,000-00
Rej. 3 Nor. Mix. Gravel Cinders		2,983-20	2,983-20				
N.G. Tf. Smutty No. 5	1,079-30		1,079-30				
N.G. Tf. Rej. Nor. Mix. Gravel	2,592-50		2,592-50				
1 A.R.W	595-20		595-20				
Sample	1,096-10	4,392-20	5,488-30				
Total	1,027,525-00	125,072-10	1,152,597-10	697,990-10	315,312-40	187,811-00	1,201,113-50
Oats—							
2 C.W	19,308-18		19,308-18		10,300-00	2,114-24	12,414-24
3 C.W	17,315-00	18,143-08	35,458-08		52,165-10		52,165-10
Ex. 1 Fd	85,482-22	5,294-14	90,777-02		50,647-02	8,669-24	59,316-26

1 Fd	88,665 30	12,657 12	101,263 08		90,923 18		90,923-18
2 Fd	106,028-22	8,025-20	114,054-08		132,029-14		132,029-14
Rej	51,122-16	16,375-20	67,498-02	94,698-28	57,503-26		152,202-20
N.G. Tf. 3 C.W	2,137-32	2,143-18	4,281-16				
N.G. Tf. Ex. 1 Fd	6,206-26	1,935-20	8,142-12				
N.G. Tf. 1 Feed	37,803-25	16,011-26	53,815-17		17,014-24		17,014-24
N.G. Tf. 2 Fd	26,075-20	21,098-28	47,174-14		10,000-00		10,000-00
N.G. Tf. Rej	2,475-30		2,475-30		2,100-00		2,100-00
N.G. Tf. Rej. Mix. Htd					7,894-04		7,894-04
N.G. Tf. Cond. Mix. Htd	1,770 30		1,770 30				
Rej. Mix. Htd	5,132-32		5,132-32		14,223-18		14,223-18
Cond	3,604 04		3,604 04				
Wild Oats		1,531-06	1,531-06				
Sample		3,261 06	3,261 06				
Total	453,161-01	106,478-08	559,639-09	94,698-28	444,801-14	10,784-14	550,284-22
Barley—							
3 C.W	26,025 38		26,025 38		1,666 32	23,232 14	24,898 46
4 C.W	58,648-16	3,296-02	61,944-18		9,795-10	74,776-26	84,571-36
Feed	11,777-02		11,777-02		2,875-20		2,875-00
Rej	11,404-18	1,665-00	13,069-18		1,418-16	1,666-32	3,085-00
N.G. Tf. 3 C.W	5,044-20		5,044-20		1,625-00		1,625-00
N.G. Tf. 4 C.W	5,278 46		5,278 46				
N.G. Tf. Fd	1,208 16		1,208 16		1,541 32		1,541-32
Total	119,387-12	4,961-02	124,348-14		18,921-42	99,675-24	118,597-18
Corn—							
No. 3 Mixed		1,416 24	1,416 24				
No. 4 Mix		11,676 44	11,676 44				
No. 6 Mix		1,125-10	1,125-10				
Sample		2,811 44	2,811 44				
		1,371 24	1,371 24			17,026 34	17,026 34
Total		18,401-34	18,401-34			17,026-34	17,026-34
	Lbs.	Lbs.	Lbs.		Lbs.	Lbs.	Lbs.
Mixed Grain	617,240	645,540	1,262,780		220,000	56,290	276,290
Screenings	127,510		127,510		473,500		473 500
Scalpings	3,176,770	55,150	3,231,920		60,000		60,000
Elevator By-Products		51,000	51,000			64,500	64,500

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Statistician

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENTS—Showing the Receipts and Shipments by Grades of each kind of Grain at the United Grain Growers "H" Private Terminal Elevator - Port Arthur—during the Crop year 1917–1918

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
1 Nor	1,590,066-10	.....	1,590,066-10	1,871,638-30	.....	.....	1,871,638-30
2 Nor	985,593-00	.....	985,593-00	844,794-30	.....	.....	844,794-30
3 Nor	800,206 30	.....	800,206 30	986,182 00	.....	9,833 20	996,015 20
No. Four	292,823 20	.....	292,823 20	163,446 30	.....	3,766 40	167,213-10
No. Five	115,231 40	.....	115,231 40	65,970 10	16,766-40	5,237 30	87,974-20
No. Six	43,677-40	.....	43,677-40	17,567-10	.....	4,328-40	21,895-50
Rej. 1 Nor	16,327 30	.....	16,327 30	.....	.....	.....	.....
Rej. 2 Nor	9,144 20	.....	9,144 20	.....	.....	.....	.....
Rej. 3 Nor	4,785-50	.....	4,785-50	.....	.....	.....	.....
Rej. No. Six	406-30	.....	406-30	.....	.....	.....	.....
NG. Tf. 1 Nor	17,216-40	.....	17,216-40	.....	.....	.....	.....
N.G. Tf. 2 Nor	25,333 00	.....	25,333 00	.....	.....	.....	.....
N.G. Tf. 3 Nor	32,218-20	.....	32,218-20	.....	.....	.....	.....
N.G. Tf. No. 4	16,313 50	.....	16,313 50	.....	.....	.....	.....
N.G. Tf. No. 5	4,043 30	.....	4,043-30	.....	.....	.....	.....
N.G. Tf. No. 6	1,675-40	.....	1,675-40	.....	.....	.....	.....
N.G. Tf. Feed	1,377-10	.....	1,377-10	.....	.....	.....	.....
N.G. Tf. Rej. 3 Nor	204 40	.....	204 40	.....	.....	.....	.....
Total	3,956,645 20	.....	3,956,645 20	3,949,598 50	16,766 40	23,166 40	3,989,531-40
Oats—							
2 C.W	13,193 08	.....	13,193 08	.....	18,225 00	3,182 12	21,407 12
3 C.W	10,065 20	.....	10,065 20	.....	13,852 32	.....	13,852 32
Ex. 1 Feed	5,984 24	.....	5,984 24	.....	6,647 02	.....	6,647 02
1 Feed	63,620-10	.....	63,620-10	.....	136,298-28	.....	136,298-28
2 Feed	46,159 24	.....	46,159 24	.....	14,541 26	.....	14,541-26
Rej	11,952 32	.....	11,952 32	.....	.....	.....	.....
N.G. Tf. 2 C.W	4,090-10	.....	4,090-10	.....	.....	.....	.....
N.G. Tf. 3 C.W	1,654 14	.....	1,654 14	.....	.....	.....	.....
N.G. Tf. Ex. 1 Feed	602-32	.....	602-32	.....	.....	.....	.....
N.G. Tf. 1 Feed	23,349 24	.....	23,349 24	.....	.....	.....	.....
N.G. Tf. 2 Feed	13,438 18	.....	13,438 18	.....	.....	.....	.....
N.G. Tf. Rej	3,844 04	.....	3,844 04	.....	.....	.....	.....
Total	197,946-16	.....	197,946-16	.....	189,565-20	3,182-12	192,747-32

Barley—							
3 C.W.	50,027-14	18,285-20	68,312-34	126,559-18		10,000-00	136,559-18
4 C.W.	120,238-18	51,432-04	171,670-22	220,198-46			220,198-46
Dr. 3 C.W.		6,667-44	6,667-44				
Dr. 4 C.W.		4,253-46	4,253-46				
Feed	31,367-04		31,367-04				
Rej.	23,795-10	2,294-15	26,089-28	20,109-08			20,109-08
N.G. Tf. 3 C.W.	18,193-36	11,738-30	29,932-24				
N.G. Tf. 4 C.W.	11,316-02	3,615-40	14,931-42				
N.G. Tf. Feed	6,663-16	1,290-20	7,953-36				
N.G. Tf. Rej.	557-14		557-14				
Sample	1,306-12	10,300-20	11,606-32				
Total	263,464-30	109,879-08	373,343-38	366,867-24		10,000-00	376,867-24
Rye—							
2 C.W.	446-44		446-44			422-48	422-48
Mixed Grain	Lbs. 746,320		Lbs. 746,320		Lbs. 132,000		Lbs. 132,000
Screenings	Lbs. 105,730		Lbs. 105,730	Lbs. 3,185,260			Lbs. 3,185,260
Scalpings						Lbs. 210,000	Lbs. 210,000
Elevator by Products						Lbs. 2,300,640	Lbs. 2,300,640

Statistician.

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT showing the Receipts and Shipments by Grades of each kind of Grain at Merchants' Private Terminal Elevator—Fort William—during the Crop Year 1917-1918

Grades	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Busv.	Net Bush.	Net Bush.
Wheat—							
1 Nor	904-50	1,693-10	2,598-00		1,094-10	1,963-40	3,057-50
3 Nor						1,450 40	1,450-40
No. 6		2,561 10	2,561 10				
Feed	2,505 50	4,447 00	6,952 50		4,200 00		4,200-00
Rej. 1 Nor	711 40		711 40				
Tough 3 Nor	1,384 20		1,384 20				
Tf. Fd	1,225 00	977 00	2,202 00				
N.G. Tf. Rej. 3 Nor. Mix. Htd		495 50	495 50		2,566 10		2,566 10
N.G. Tf. Rej. No. 5 Mix. Htd					1,100-00		1,100-00
N.G. Tf. Rej. No. 6 Mix. Htd							
N.G. Tf. Cond. 2 Nor. Mix. Fbt					3,300 00		3,300 00
N.G. Tf. Cond. Mix. Fbt		678 00	678 00				
N.G. Tf. Cond. Fbt	2,171 10		2,171 10				
Cond. 2 Nor		1,859 40	1,859-40				
Cond. 2 Nor. Mix. Fbt					2,200-00		2,200-00
Cond. Fbt	1,230 10		1,230 10				
Rej. No. 5 Mix. Htd		1,493 00	1,493 00				
Rej. No. 6 Mix. Htd					3,300-00		3,300-00
Rej. Fd. Mix. Htd						1,100 00	1,100 00
Op. Cond. 2 Nor	1,874 10		1,874 10				
Sample		4,638 50	4,638-50				
Total	12,007 10	18,844 10	30,851 20		17,760 50	4,514 20	22,275-10
Oats—							
2 C.W	6,832-32	46,137-02	52,970-00		50,911-26		50,911-26
3 C.W	5,976 26	1,772 22	7,749 14		1,941 06		1,941 06
Ex. 1 Feed	21,696 10	93,880 00	115,576 10		17,470 20	16,058 08	33,528-28
1 Feed	29,213 28	104,239 14	133,453 08		124,511 20		124,511-26
2 Feed	28,965 20	81,815 12	110,780 32		78,117 22	1,688 08	79,805 30
Rej	15,645 10	46,408 18	62,053 28		28,941-06		28,941-06
Tf. 2 C.W	6,147 12	44,671 24	50,819 04				
Tf. 3 C.W	1,752 32	5,645 30	7,398 28				
Tf. Ex. 1 Feed	3,571 16	7,141 16	10,712-32				
Tf. 1 Feed	5,156-06	37,262-32	42,419-04				
Tf. 2 Feed	9,150-00	17,818-28	26,968-28		1,941-06		1,941-06
Tf. Rej	3,955 30	3,550 30	7,506 26				
Tf. Rej. Htd		8,058 18	8,058 18				

Tf. Rej. Mix. Htd		11,512-12	11,512 12		5,823-18	5,823-18
Tf. Rej. Mix. Htd. & Htg	1,767 32	7,598 08	9,366 06			
Tf. 2 C.W. Htg		2,067 12	2,067 12			
Tf. Cond. Htd. & Htg	4,406-06		4,406-06			
Cond		1,870-20	1,870-20			
Dp. Cond		1,867 32	1,867 32			
Cond. Mix. Htd		1,780 30	1,780 30			
Rej. Htd	1,927 02	11,850 20	13,777 22			
Rej. Mix. Htd	2,815 30	35,118 06	37,924 02		236,050 00	236,050 00
Rej. Mix. Gravel & Cinders		1,548 28	1,548 28			
Cond. Htd		1,767 12	1,767 12			
Tf. Cond. Htg		2,130 06	2,130 06			
Sample		46,053 08	46,053 08			
Sample Mix. Htd		2,347 02	2,347 02			
Total	158,981 24	623,915 30	782,897 22		545,708 28	17,746 16	563,455-10
Barley—						
Fd	2,354 28		2,354 28		9,625 00	1,829 08	11,454 08
Rej	1,510-20		1,510-20				
Tf. Fd		842 24	842 24				
Tf. Rej	2,580-20		2,580 20				
Total	6,445 20	842 24	7,287 44		9,625 00	1,829 08	11,454 08
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain	481,030	1,913,630	2,394,660				
Total	481,030	1,913,630	2,394,660				
Screenings	178,050		178,050		149,280		149,280
Total	178,050		178,050		149,280		149,280
Scalpings	921,156	380,680	1,301,836				
Total	921,156	380,680	1,301,836				
Elevator By Products	54,760		54,760				
Total	54,760		54,760				

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Statistician

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades of each kind of Grain at Muirhead's Private Terminal Elevator—Fort William—during the Crop Year, 1917–1918

Grades	Receipts from West	Transfers	Total Shipments	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
1 Hard	1,393 00	.....	1,393 00	.....	1,393 10	.....	1,393 10
1 Nor	6,059-30	.....	6,059-30	.....	1,025-10	9,892-30	10,917-40
2 Nor	1,821-00	.....	1,821 00	.....	.....	2,441 10	2,441-10
3 Nor	26,756-30	.....	26,756-30	.....	6,966-40	39,103-40	46,070-20
No. 4	35,555 00	1,055 50	36,610 50	.....	8,395 50	25,929 20	34,325 10
No. 5	15,917-30	.....	15,917-30	.....	8,602-00	16,130-20	24,732-20
No. 6	3,837-00	11,829-00	15,666-00	.....	16,866-40	48,770-20	65,637-00
Feed	2,791-00	14,872 10	17,663 10	.....	2,200 00	2,201 20	4,401 20
Rej. 2 Nor	1,046-20	.....	1,046-20	.....	.....	468-40	468-40
Rej. 3 Nor	.....	.....	.....	.....	.....	2,527 10	2,527 10
Smutty No. 5	289-50	1,074 30	1,364 20	.....	.....	.....	.....
Smutty Rej. No. 6	.....	.....	.....	.....	.....	482 30	482 30
N.G. Tf. 1 Nor	1,056-50	.....	1,056-50	.....	.....	.....	.....
N.G. Tf. 3 Nor	1,775-20	.....	1,775-20	.....	.....	1,523-40	1,523-40
N.G. Tf. No. 4	533 00	.....	533 00	.....	.....	.....	.....
N.G. Tf. No. 4 Spec	.....	1,268 00	1,268 00	.....	.....	.....	.....
N.G. Tf. No. 3	3,618-50	1,006 10	4,625 60	.....	.....	.....	.....
N.G. Tf. No. 6	.....	20,124-50	20,124-50	.....	.....	4,021-00	4,021-00
N.G. Tf. Feed	.....	10,795 16	10,795 16	.....	.....	.....	.....
N.G. Tf. Rej. 1 Nor	1,416 30	.....	1,416 30	.....	.....	.....	.....
N.G. Tf. Rej. No. 4	870-40	.....	870 40	.....	.....	.....	.....
N.G. Tf. Rej. 3 No. Musty	.....	476 30	476 30	.....	.....	.....	.....
N.G. Tf. Fd. Mix. Cinders	.....	952-40	952 40	.....	.....	.....	.....
N.G. Tf. Rej. Smutty No. 6 Mix. Htd	.....	518 20	518 20	.....	.....	.....	.....
Rej. 3 No. Mix. Htd	.....	.....	.....	.....	.....	454 10	454 10
Rej. No. 4 Mix. Htd	999-00	.....	999 00	.....	.....	.....	.....
Rej. No. 5 Mix. Htd	751-30	.....	751-30	.....	1,566-40	.....	1,566-40
Rej. 2 Nor. Mix. Fbt	657-20	.....	657-20	.....	657-20	1,007-20	1,664-40
Rej. No. 5 Mix. Gravel	.....	1,038-30	1,038-30	.....	.....	.....	.....
Rej. No. 5 Mix. Htd. Mix. Fbt	1,017 10	.....	1,017-10	.....	1,017-10	.....	1,017 10
Sample	.....	12,227 30	12,227 30	.....	.....	.....	.....
Rej. No. 2 Goose	.....	326 50	326 50	.....	.....	.....	.....
Total	108,162-50	77,566-00	185,728-50	.....	48,690 30	154,953 10	203,643 40

Oats—							
3 C.W						712-12	712-12
1 Feed	1,256-16		1,256-16				
2 Feed	1,201-26	438-28	1,640-20		4,296-06	7,424-14	11,720-20
Rej		4,277-22	4,277-22				
N.G. Tf. 2 C.W	1,870-00	2,280-00	4,150-00		1,870-00		1,870-00
N.G. Tf. 1 Feed	820-00		820-00				
N.G. Tf. 2 Feed						2,547-22	2,547-22
N.G. Tf. Rej		2,034-14	2,034-14				
Rej. Mix. Htd					4,170-20		4,170-20
Total	5,148-08	9,030-30	14,179-04		10,336-26	10,684-14	21,021-06
Barley—							
4 C.W		1,239-38	1,239-38			1,239-08	1,239-08
Feed	1,151-22	1,724-08	2,875-30			1,841-12	1,841-12
Rej	1,551-42	2,990-30	4,542-24		9,091-42	3,536-02	12,627-44
N.G. Tf. 4 C.W	3,172-34		3,172-34				
N.G. Tf. Feed		607-34	607-34				
N.G. Tf. Rej	1,476-12	1,386-22	2,862-34		1,744-08		1,744-08
Rej. Mix. Htd					2,750-00		2,750-00
N.G. Dp. Rej. Fd. Htd. Htg	1,250-40		1,250-40				
Sample		1,446-22	1,446-22				
Total	8,306-06	9,393-10	17,998-16		13,586-02	6,612-22	20,202-24
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain	304,350	846,410	1,150,760		149,960	204,880	354,840
Screenings	121,250	1,138,770	1,260,020		1,927,400		1,927,400
Scalpings		32,530	32,530		264,730		264,730
Standard Stock Food					377,100	66,690	443,790
Elevator by Products		1,583,650	1,583,650				

Statistician

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades of each kind of Grain at the Mutual Private Terminal Elevator- Fort William- during the Crop Year 1917-1918

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
Wheat—	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
1 Hard	79,373 00		79,373 00				
1 Nor	2,162,465-00		2,162,465-00	2,365,705-10	115,489-00	9,566-40	2,490,760-50
2 Nor	796,569 00		796,569 00	697,552 20	48,766 10	6,983 20	753,302 20
3 Nor	1,223,180 10		1,223,180 10	1,195,018 50	58,333 20	5,700 66	1,259,052 10
No. 4	501 340 40		501,340 40	600,946 20	54,483 20	1,100 00	658,529 40
No. 5 Special	296,113 00		296,113 00	220,311 20	35,300 00	3,133-20	258,777-40
No. 5 Special	947-10		947-10				
No. 6	151,052 20		151,052 30	89,104 20	9,066 40	48,654 10	146,825 10
Feed	52,915 30	2,267 00	55,182 30		4,400 00	5,700 00	10,100 00
Rej. 1 Nor	65,368 50	1,008 00	66,376 50	25,423 10	27,433 20		52,856-30
Rej. 2 Nor	18,930-50	1,131-40	20,062-30		3,666-40		3,666-40
Rej. 3 Nor	9,267 40		9,267 40		3,300 00		3,300 00
Rej. No. 4	3,690-00		3,690-00		4,400-00		4,400-00
Rej. No. 5	2,218 50		2,218 50				
Smutty 2 Nor	2,774 10		2,774 10		2,048 00		2,048-00
Smutty 3 Nor	3,303-50		3,303-50			1,941-10	1,941-10
Smutty No. 4	1,956 20		1,956 20				
Smutty No. 5	2,092-40		2,092-40				
Smutty Rej. 3 Nor. Rej. Mix. Htd					5,576 00		5,576-00
N.G. Tf. 1 Nor	74,363 40	1,986 30	76,350 10				
N.G. Tf. 2 Nor	44,958 50	7,827 40	52,786 30			5,500 00	5,500 00
N.G. Tf. 3 Nor	52,358 10	2,811 30	55,169 40				
N.G. Tf. 3 Nor. Damp	280-10		280-10				
N.G. Tf. No. 4	22,596 10		22,596 10				
N.G. Tf. No. 5	17,814 10		17,814 10				
N.G. Tf. No. 6	13,776 30		13,776 20				
N.G. Tf. Feed	9,700 00		9,700 00				
N.G. Tf. Rej. 1 Nor	4,116-40		4,116-40				
N.G. Tf. Rej. 3 Nor	3,198 00	414 20	3,612 20				
N.G. Tf. Rej. No. 4	974-10		974-10				
N.G. Tf. No. 4 Mix. Htd	754-20		754-20				
N.G. Tf. No. 4 Htg	742 50		742-50				
N.G. Tf. No. 6 Htg	822-00		822-00				
N.G. Tf. Cond. 1 Nor. Htd	1,028 00		1,028 60		1,028 20		1,028 20
N.G. Tf. Cond. 1 Nor. Htg	2,269 50		2,269 50		2,103 50		2,103-50
N.G. Tf. Rej. 1 Nor. Mix. Htd		696 10	690 10				
N.G. Tf. 3 Nor. Rej. Mix. Htd	2,131 50		2,131 50		1,100 00		1,10 -00
N.G. Tf. No. 4 Rej. Mix. Htd	1,398 20		1,398 20		1,398 40		1,398 40
N.G. Tf. Fd. Rej. Mix. Htd	981 20		981 20		1,000 00		1,000 00
N.G. Tf. Smutty Rej. No. 6 Mix. Htd						543 50	543 50
N.G. Tf. Cond. 2 Nor	498 40		498 10				
N.G. Tf. Rej. 2 Nor. Mix. Htd. Damp	1,087-10		1,087-10		1,072-30		1,072 30

N.G. Tf. Rej. No. 4 Mix. Htd. Damp	1,000-30		1,000-30		1,000-50		1,000-50
N.G. Tf. No. 4 Musty	178-30		178-30				
Rej. 2 Nor. Mix. Htd	1,556-50		1,556-50		3,722-40		3,722-40
Rej. 3 Nor. Mix. Htd	4,498-00		4,498-00		4,231-00		4,231-00
Rej. No. 4 Mix. Htd		520-00	520-00		1,012-00	1,333-20	2,345-20
Rej. No. 5 Mix. Htd	1,440-50		1,440-50		1,100-00		1,100-00
SaWple		615-10	615-10				
	5,637,964-30	19,302-00	5,657,266-30	5,194,088-30	391,032-50	90,155-50	5,675,277-10
Oats—							
2 C.W	51,674-14		51,674-14	34,967-12	38,941-06	10,666-06	84,574-24
3 C.W	60,443-18		60,443-18	44,714-04	11,970-20	4,117-22	60,802-12
Ex. 1 Seed	149,629-28		149,629-28	99,237-22	68,903-08	3,882-12	172,023-08
1 Fd	197,922-22		197,922-22	198,658-02	111,742-02	2,660-04	214,400-30
2 Fd	171,761-12		171,761-12	92,922-02	108,514-24	4,270-20	205,707-12
Rej	39,016-28		39,016-28		31,747-32	6,241-04	37,989-04	
—.G. Tf. 2 C.W.	28,083-16		28,083-16		7,895-20		7,895-20
—.G. Tf. 3 C.W	13,149-24		13,149-24		3,882-12	1,800-00	5,682-12
—.G. Tf. Ex. 1 Fd	10,917-18		10,917-18				
—.G. Tf. 1 Fd	31,582-22		31,582-22		7,985-00		7,985-00
—.G. Tf. 2 Fd	23,327-32		23,327-32		5,648-18		5,648-18
—.G. Tf. Rej	7,844-21	1,935-20	9,780-10		2,180-30		2,180-30
—.G. Tf. Rej. Mtd		1,907-02	1,907-02		13,588-08		13,588-08
—.G. Tf. Rej. Mix. Mtd					9,705-30		9,705-30
—.G. Tf. Rej. Mtd. and MMitg	1,683-28		1,683-28				
N.G. Tf. Rej. Mix. Htd. and Hitg.	1,945-00		1,945-00				
N.G. Tf. Cond. Htd	652-22		652-22				
N.G. Tf. Dp. Cond. Htd. and Htg	1,788-08		1,788-08				
Cond						1,941-06	1,941-06
Rej. Mix. Htd	3,971-16		3,971-16	14,043-08	2,176-16	4,188-18	20,408-08
Total	795,795-26	3,842-22	799,238-14	386,543-08	424,882-22	39,107-22	850,533-18
Barley—							
3 C.W	5,147-32		5,147-32			56,270-10	56,270-10
4 C.W	68,392-34	1,352-44	69,745-30		6,369-08	88,694-44	95,064-04
Fd	1,734-18		1,734-18		4,125-00		4,125-00
Rej	22,735-32	32,883-16	55,619-00			1,508-46	1,508-46
—.G. Tf. 3 C.W	1,298-16	2,572-14	3,870-30				
—.G. Tf. 4 C.W	2,833-40	7,578-54	10,412-34				
Tf. Rej	1,400-10	4,072-14	5,472-24				
Sample		2,337-44	2,337-44				
Total	103,542-44	50,897-24	154,440-20		10,494-08	146,474-04	156,968-12
2 C.W	196-54		196-54				
Rej	329-46		329-46				
Total	526-44		526-44				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT– Showing the Receipts and Shipments by Grades of each kind of Grain at the Mutual Private Terminal Elevator—Fort William—during the crop year, 1917-1918 —*Con.*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net. Lbs.	Net Lbs.
Mixed Grain	1,272,470	443,740	1,716,210	.....	1,074,690	207,100	1,281,790
Total	1,272,470	443,740	1,716,210	.....	1,074,690	207,100	1,281,790
Screenings	482,940	.....	482,940	1,157,790	2,952,020	1,500,910	5,610,720
Total	482,940	.....	482,940	1,157,790	2,952,020	1,500,910	5,610,720
Scalpings	126,920	491,700	618,620	.....	429,230	66,000	495,230
Total	126,920	491,700	618,620	.....	429,230	66,000	495,230
Standard Stock Food	66,590	.....	66,590	.....	551,900	.....	551,900
Total	66,590	.....	66,590	.....	551,900	.....	551,900
Elevator By Products	.....	.....	.....	.....	62,470	.....	62,470
Total	.....	.....	.....	.....	62,470	.....	62,470

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Statistician

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades of each kind of Grain at the National Terminal Elevator, Port Arthur, during the Crop Year 1917-1918

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
1 Nor	14,940-40		14,940-40		2,974-40	38,979-30	41,954-10
2 Nor	18,929-00		18,929-00			19,716-50	19,716-50
3 Nor	157,089-40		157,089-40		126,033-20	131,123 50	257,157-10
No. Four	140,702 30	4,685-40	145,388-10		64,055-40	147,119 40	211,175-20
No. Four Special		7,072-00	7,072 00				
No. 5	160,332-10	4,272-50	164,605-00		81,377 50	135,956-40	217,334-30
No. 6	150 546-30	1,083 00	151,629-30		13,033 20	161,138 20	174,171-40
Feed	74,774 30	2,115-50	76,890 20		6,604-00	27,051-20	33,655-20
Rej. 1 Nor	21,849-20		21,849 20				
Rej. 2 Nor	10,496-40		10,496-40				
Rej. 3 Nor	11,317-50	1,064-20	13,382-10			2,632-20	2,632-30
Rej. No. 4	5,355-30		5,355-30				
Rej. No. 5	1,133-40		1,133-40				
Rej. No. 6	1,059-30		1,059-30				
Rej. Feed							
Rej. No. 4 Spec		1,096-30	1,096-30				
Smutty 1 Nor	1,122-00		1,122-00				
Smutty 2 Nor	2,186-30		2,186-30		1,100 00		1,100-00
Smutty 3 Nor	2,523-40	1,098-20	3,622-00				
Smutty No. 4	1,262 50		1,262-50				
Smutty No. 6	327-00	4,658-20	4,985-20			3,075-10	3,075-10
Smutty Feed		1,081-10	1,081-10				
Smutty Rej. No. 4		258 20	258-20				
Smutty Rej. 3 No. Mix. Htd	1,028 30	2,190 00	3,218 30			936-20	936-20
Smutty Rej. No. 5 Mix. Htd		988-00	988-00				
N.G. Tf. 1 Nor	5,413 50		5,413-50				
N.G. Tf. 2 Nor	5,576 20	1,004 00	6,580 20				
N.G. Tf. 3 Nor	15,977 20	1,621 20	17,598-40				
N.G. Tf. No. 4	9,677 10	25,536 10	35,213 20				
N.G. Tf. No. 5	24,972 10		24,972 10				
N.G. Tf. No. 6	13,320-00	2,014 30	15,334-30				
N.G. Tf. Feed	11,636 20	5,276 10	16,912-30				
N.G. Tf. Rej. 1 Nor	830-20		830-20				
N.G. Tf. Rej. 3 Nor	917-50	1,632-50	2,550-40				
N.G. Tf. Smutty No. 5		631-30	631-30				
N.G. Tf. Smutty No. 6	2,015 50		2,015 50				
N.G. Tf. Smutty Feed	978 20	557-20	1,535-40				
N.G. Tf. Rej. No. 6 Mix. Htd	606-00	1,047-30	1,633-30				
N.H. Tf. Rej. Feed Mix. Htd		1,306-50	1,306 50				
N.G. Tf. Smutty Rej. No. 5 Mix. Htd	250-50		250 50				
N.G. Tf. Rej. Mix. Htd. Rej. Coal, Gravel, Cinders	95-30		95-30				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades of each kind of Grain at the National Private Terminal Elevator, Port Arthur—*Con.*

Grade	Receipts from West	Transfers	Total Receipts	Shipments	Shipments by Vessels	Transfers	Total Shipments
N.G. Tf. Cond. No. 1	1,066 00		1,066 00				
Rej. 1 Nor. Mix. Htd	1,336-40		1,336-40		1,348-30		1,348-30
Rej. 2 Nor. Mix. Htd	1,547 30		1,547 30				
Rej. No. 4 Mix. Htd	914-10	1,040-20	1,954-30			1,885-30	1,885-30
Rej. No. 5 Mix. Htd		1,935 30	1,935 30			6,934 30	6,934 30
Rej. No. 6 Mix. Htd	1,098 00	4,564 50	5,662 50		4,345-00	3,165 20	7,510 20
Rej. Feed. Mix. Htd	1,440 00		1,440 90		11,592 20	6,600 00	18,192 20
Rej. Fd. Rej. Mix. Htd		4,398 50	4,398 50				
Rej. 2 Nor. Mix. Fireburnt	767 00		767 00		2,183 30		2,183 30
Rej. 2 Nor. Mix. F'bt. Cinders	1,490 00	333 30	1,823 30				
Rej. 2 No. Mix. F'bt. and Gravel	2,709-50		2,709 50				
Rej. 2 Nor. Mix. Coal Oil		1,045-00	1,045-00				
Rej. 1 Nor. Mix. Sand and Gravel		1,009-00	1,009-00				
Rej. 1 Nor. Mix. Cinders		1,378-40	1,378-40				
Rej. 3 Nor. Mix. Cinders and Gravel dust	1,064-00		1,064-00				
Rej. 3 Nor. F'bt. and Gravel	1,587-20		1,587-20				
Rej. 3 Nor. Mix. Gr. and Coal Cinders		50-50	50-50				
Rej. No. 4 Mix. Coal and Coal Dust	258 20		258 20				
Rej. No. 4 Mix. Sand and Gravel		881 06	881 06				
Rej. No. 5 Mix. F'bt.		721 30	721 30				
Rej. Fd. Mix. Fireburnt					2,566-40		2,566-40
Rej. No. 6 Mix. Coal Oil						2,200-00	2,200-00
Cond. No. 1		1,817-20	1,817-20				
Cond. No. 2		963-10	963-10				
Cond. 1 Mix. Htd		1,029 20	1,029 20				
Cond. F'bt	436 40		436 40				
Sample		18,280 16	18,280 16				
No. 2 Goose		473 40	473 40				
Total	884,661-20	112,215-10	996,876-30		317,214-50	688,515-30	1,005,730-20
Barley—							
3 C.W	57,075-30		57,075-30		2,585-00	104,245-17	101,660-17
4 C.W	144,838-18		144,838-18		2,572-24	227,470-10	230,042-34
Feed	55,010-00		55,010-00			5,342-14	5,342-14
Rej	34,642-34	2,642-14	37,285-00			29,705-30	29,705-30
N.G. Tf. 3 C.W	24,625 14	1,257 01	25,882 15				
N.G. Tf. 4 C.W	27,188 46	1,362 01	28,550 92				
N.G. Tf. Feed	1,410 30	1,492-24	2,903 06				
N.G. Tf. Rej	7,543 16		7,543 16			2,667 24	2,667-24
N.G. Tf. Rej. Htg	1,763-06		1,763 06				

N.G. Tf. Rej. Htd	1,024-38		1,024-38				
N.G. Tf. Fd. Musty	1,131-02		1,131-02				
Total	356,254-24	6,753-46	363,008-22		−12-24	369,430-47	369,418-23
Oats—							
2 C.W	21,354-14		21,354-14		32,671-06	3,572-22	36,243-28
3 C.W	29,804-29		29,804-29		24,900-20		24,900-20
Ex. 1 Fd	113,985-10		113,985-10		102,089-14	24,393-28	126,483-08
1 Feed	270,021-24	5,929-24	275,951-14		225,973-28	25,780-30	251,754-24
2 Feed	298,963-07		298,963-07		214,735-20	186,249-14	400,985-00
Rej	59,510-08	3,785-10	63,295-18		3,882-12	5,382-32	9,265-10
N.G. Tf. 2 C.W	5,841-06	4,905-00	10,746-06				
N.G. Tf. 3 C.W	1,934-24	1,928-08	3,862-32				
N.G. Tf. Ex. 1 Feed	31,403-28	1,935-30	33,339-24		6,107-12		6,107-12
N.G. Tf. 1 Feed	102,329-24	4,131-20	106,461-16		8,694-04	9,441-06	18,135-10
N.G. Tf. 2 Feed	51,289-18	1,640-20	52,930-04		1,697-32	3,294-04	4,992-02
N.G. Tf. Rej	15,441-20		15,441-20				
N.G. Tf. 3 C.W. Htg		1,879-04	1,879-04				
N.G. Tf. 1 Fd. Htg		1,892-02	1,892-02				
N.G. Tf. Ex. 1 Fd. Htg		12,232-12	12,232-12				
N.G. Tf. 2 Fd. Htg	2,564-31		2,564-31				
N.G. Tf. Rej. Mix. Htd	18,386-06	16,474-04	34,860-10		3,600-00		3,600-00
N.G. Tg. Reg. Mix. Htd. Htg	10,679-20	34,454-04	45,133-24				
N.G. Tf. Cond. Mix. Htd	3,591-16	2,141-92	5,733-08				
N.G. Tf. Cond. Htd. and Htg	5,789-14		5,789-14				
N.G. Tf. Cond. Htg	934-04		934-04				
N.G. Tf. Cond. Htd	1,451-16		1,451-16				
N.G. Tf. Cond					1,900-00		1,900-00
N.G. Tf. Rej. Mix. Coal	72-02		72-02				
Rej. Mix. Htd	20,260-10	54,728-18	74,988-28		23,400-00	3,546-06	26,946-06
Rej. Gravel	1,934-24		1,934-24			1,941-06	1,941-06
Rej. Coal Cinders	147-32		147-32				
Cond	1,505-10	5,429-24	6,935-00		7,482-12		7,482-12
Cond. Htd	1,402-32		1,402-32				
Cond. Mix. Htd		8,516-06	8,516-06				
Sample		3,548-18	3,548-18				
1 Fd. Mix. Cinders	252-12		252-12				
Total	1,070,833-05	165,552-32	1,236,406-03		657,134-24	263,603-12	920,737-02
Flax—							
1 N.W.C	5,319-12		5,319-12			4,047-09	4,047-09
2 C.W	6,601-00		6,601-00			8,905-46	8,905-46
3 C.W	1,416-12		1,416-12			1,530-02	1,530-02
Rej	919-46		919-46				
N.G. Tf. 1 N.W.C	379-00		379-00				
Rej. 1 N.W.C. Mix. Htd		1,176-00	1,176-00			1,176-29	1,176-29
Rej. Mix. Htd	31-34		31-34				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades of each kind of Grain at the National Terminal Elevator, Port Arthur, during the Crop Year, 1917-1918—*Con.*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
Rej. Mix. Coal	9–16		9–16				
Rej. Mix. Coal Dust and Coal Oil	9–06		9–06				
Total	14,685–14	1,176–00	15,861–14			15,639–30	15,659–30
Rye—							
2 C.W	113–06		113–06				
N.G. Tf. 2 C.W	690–00		690–00				
Rej. Mix. Ergot		1,130–00	1,130–00				
Total	803–06	1,130–00	1,933–06				
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain	1,768,250	2,138,280	3,906,530		299,020	62,590	361,610
Screenings	60,710		60,710		269,100	836,690	1,105,790
Scalpings	118,560	479,320	597,880		259,270	91,500	350,770
Standard Stock Food						153,690	153,690
Elevator By-Products	51,000	282,620	333,260			100,000	100,000

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BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades of each kind of Grain at Paterson's Private Terminal Elevator—Fort William—during the Crop Year, 1917-1918

Grade	Receipts from West	Transfer Receipts	Transfer via S.S. Van Allen	Total Receipts	Shipments by Vessel	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—								
1 Hard	13,203 20		9,345-30	22,548-20				
1 Nor	550,838-50	800 10	985-50	552,624-50	635,061-00	53,759-40	28,368 30	717,189-10
2 Nor	252,511 20		1,546-10	254,057-30	165,643-00	28,775 00	18,671-50	213,089-50
3 Nor	376,654-10		15,128-50	391,783-00	381,396 00	38,836-30	20,316-30	440,549 00
3 Nor. Musty			210-40	210-40				
No. 4	194,343 00	1,041 10	286,064 00	481,448-10	800,722 30	41,683-20	17,848-30	860,254-20
No. 4 Spec			8,499-20	8,499-20				
No. 5	105,633-30	7,309-40	233,922-50	346,866 00	352,511-50	60,857-40	27,255-50	440,625 20
No. 5 Spec			7,725-50	7,725-50				
No. 6	89,704-10	20,163 10	107,554-40	217,422-00	65,000-00	18,573-00	86,915-40	170,488-40
No. 6 Spec			4,320-10	4,320-10				
Feed	32,340-40	44,249-00	27,188-00	103,777-40			3,773-00	3,773-00
Rej. 1 Nor	36,759-30		3,237 30	39,997-00			3,041 40	3,041-40
Rej. 2 Nor	8,458-50		1,090-10	9,549-00			1,007-20	1,007-20
Rej. 3 Nor	7,796-20		1,191-30	8,987-50			3,766-10	3,766-10
Rej. No. 4	5,947-40	7,698-10	4,056-10	17,702-00			4,719-00	4,719-00
Rej. No. 4 Spec			1,821-00	1,821-00				
Rej. No. 5						2,323-20		2,323-20
Rej. No. 5 Spec			834-30	834-30				
Rej. Feed						1,100 00		1,100-00
Rej. 1 Nor. A/c Smoke			1,497 30	1,497-30				
Rej. No. 6 A/c Smoke			1,379-40	1,379-40				
Smutty 1 Nor	4,330 30			4,330 30			6,861 00	6,861 00
Smutty 2 Nor	2,548 10			2,548-10				
Smutty 3 Nor	2,660-50			2,660-50			9,542-00	9,542-00
Smutty No. 4	1,128-30	8,206 00	2,508-30	11,843-00		1,533-20	20,143 20	21,676-40
Smutty No. 4 Special			11-00	11-00				
Smutty No. 5	657 40	12,249-10	1,100-10	13,907-00			11,682-10	11,682-10
Smutty No. 6	850 30	2,431 10	1,030-30	4,312-10		1,100-00		1,100-00
Smutty Feed	1,075-30	1,011-30		2,087-00				
Smutty Rej. 2 Nor	2,583-20	7,131-40		9,715 00				
Smutty Rej. 3 Nor	739 30	2,048 00		2,787 30				
Smutty Rej. No. 5 Mix. Htd			470-40	470-40				
Smutty Rej. 2 Mix. F'bt	335-40			335 40				
Smutty Cond. No. 2						1,533-20		1,533-20
N.G. Tf. 1 Nor	18,019-20		71,188-10	89,207-30				
N.G. Tf. 2 Nor	16,469-30		44,764-30	61,234-00				
N.G. Tf. 3 Nor	18,343 00	970-40	38,859-40	58,173 20				
N.G. Tf. No. 4	15,400 50	2,228-10	20,193 20	37,822 20				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, etc., Paterson's Private Terminal Elevator—Fort William—*Continued*

Grade	Receipts from West	Transfer Receipts	Transfers by S.S. Van Allen	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
N.G. Tf. No. 4 Spec			972-30	972-30				
N.G. Tf. No. 5	6,966 20	7,136-40	15,780-00	29,883-00				
N.G Tf. No. 5 Spec			439 00	439 00				
N.G. Tf. No. 6	10,648-40	2,573-10	7,804-50	21,026 40				
N.G. Tf. No. 6 Spec			1,564-10	1,564-10				
N.G. Tf. Feed	355 30	4,619-40	984-30	5,959-40				
N.G. Tf. Rej. 1 Nor	2,935 10		2,728-40	5,663 50				
N.G. Tf. Rej. 2 Nor	1,062 00		5,460 40	6,522 40				
N.G. Tf. Rej. 3 Nor	3,397 20	1,056 00	3,720 50	8,174-10				
N.G. Tf. Rej. No. 4	721-30		1,049 00	1,770-30				
N.G. Tf. Rej. No. 6			1,044-30	1,044-30				
N.G. Tf. Smutty 1 Nor	979 00			979-00				
N.G. Tf. Smutty No. 4	910 50	1,349-10	8 30	2,268-30				
N.G. Tf. Smutty No. 5			646 50	646-50			2,516-40	2,516-40
N.G. Tf. Smutty No. 6	984-40	2,125 50		3,110 30				
N.G. Tf. Rej. 2 Nor. Mix. Htd	635-00			635-00				
N.G. Tf. Rej. 3 Nor. Mix. Htd	2,320-50			2,320 50		1,350-00		1,350-00
N.G. Tf. Rej. No. 4 Mix. Htd	373-50		2-30	376-20				
N.G. Tf. Rej. No. 5 Mix. Cinders			166 10	166-10				
N.G. Tf. Rej. No. 5 Mix. Htd	1,452-40		182-50	1,635 30				
N.G. Tf. Rej. No. 5 Mix. F'bt			739 50	739-50				
N.G. Tf. Rej. 2 Nor. Mix. Htd. Htg	1,287-20			1,287-20				
N.G. Tf. Rej. No. 4 Mix. Tar	1,074-40			1,074-40				
N.G. Tf. Rej. No. 4 Mix. Gravel		4,695-50		4,695-50				
N.G. Tf. Smutty Rej. 3 Nor. Mix. Htd			191-00	191-00				
Rej. 1 Nor. Mix. Htd			819-10	819-10				
Rej. 2 Nor. Mix. Gravel			1,912-00	1,912-00				
Rej. 2 Nor. Mix. Htd			403-30	403-30				
Rej. 3 Nor. Mix. Htd			1,078 50	1,078 50		4,500-00		4,500 00
Rej. No. 4 Mix. Htd	3,131-40			3,131-40		7,426-40		7,426-40
Rej. No. 5 Mix. Htd	977-20			977-20		1,100-00		1,100-00
Rej. No. 6 Mix. Htd	184-00		25 20	209-20				
Rej. Feed Mix. Htd	799-10		339-10	1,138-20		1,076-40		1,076-40
Rej. 1 Nor. Mix. F'bt		1,766-20		1,766-20		1,551-00		1,551-00
Rej. 2 Nor. Mix. F'bt		1,006-50		1,006-50				
Rej. 3 Nor. Mix. F'bt						1,200-00		1,200-00
Rej. No. 4 Mix. F'bt		901-00		901-00		1,000-00		1,000-00
Rej. No. 5 Mix. F'bt			36-20	36-20				
Rej. 2 Nor. Mix. Gravel		397-50		397-50				
Rej. No. 4 Mix. Gravel		3,570-50		3,570-50				

Rej. No. 4 Rej. Mix. Gravel		649-40		649-40				
Cond. No. 2	556-50			556 50				
Cond. badly Smutty			190-20	190 20				
Sample	1,013 20	21,383 10		22,396-30				
2 A.RW	1,347 50			1,347-50				
2 A.RW	891 20			891 20				
2 A.RW	940 50			940 50			959-30	959-30
No. 1 Goose	252 20		1,421 10	1,673-30				
Total	1,805,534 10	170,769 40	947,338 30	2,925 642 20	2,400,334 20	269,279 36	267,388 40	2,937,002 30
Oats								
2 C.W	85,158-08	8,449-14		93,607-22	78,972-32	37,500-00	28,987-22	145,460-20
3 C.W	58,330-00	14,712-22	7,373-31	80,416-19		10,323-18	5,753-08	16,076-26
Ex. 1 Fd	125,613-18	7,701-06	9,966-06	143,280-30	177,564-24	52,132-12	41,870-00	271,567-02
1 Fd	226,676 19	40,347 22	6,351 26	273 375 33	22,575 00	189,955 36	21,660 00	234,190 30
2 Fd	342,247-03	106,308-18	89,265 00	537,820-21	982,490-00	152,104-04	250,936-26	1,385,530-30
Rej	150,654 32	249,063 18	411,839 15	785,558 01	96,500 66	258,017 12	115,869-12	470,386-24
N.C. Tf. 2 C.W	8,547 12	49,703 18	18,001 07	76 355 07				
N.G. Tf. 3 C.W	15,283-28	29,342-32	30,688-17	75,315-09				
N.G. Tf. Ex. 1 Fd	21,934-24	19,258-08	75,209-14	116,402-12				
N.G. Tf. 1 Fd	84,149-14	29,482-02	49,554-20	163,186-02			1,561-26	1,561-26
N.G. Tf. 2 Fd	52,768 08	42,643 08	41,941 13	137,352 29		2,352 32		2,352 32
N.G. Tf. Rej	16,221-06	6,118-18	17,322-22	39,662-12		4,117-22		4,117-22
N.G. Tf. Rej. 1 Fd	1,987-12			1,987-12				
N.G. Tf. Rej. 2 Fd. Htd	1,917 12			1,917 12				
N.G. Tf. Rej. Mix. Htd	7,431-18	1,870-30	1,575-30	10,878-10		1,941-06		1,941-06
N.G. Tf. Rej. Htd. Htg	1,879-14			1,879-14				
N.G. Tf. Cond. Htd	1,909-24			1,909-24				
Rej. Mix. Htd	3,791 26	10,184 24	2,822 16	16 798 32		100,976 16		100,976 16
Cond						5,823 18		5,823 18
Cond. Htd		5,085 10		5,085 10				
Sample		46,725 20		46,725 20				
Rej. Mix. Fbt		1,469 14		1,469 14				
Rej. Mix. Htd. Rej. Mix. Gravel		814-24		814-24				
Total	1,206,502-06	638,882-02	765,415-17	2,610,799-25	1,358,102-22	815,245-00	466,638-26	2,639,986-14
Barley—								
3 C.W	38,904 20	36,390 20	3,311-14	78,606 40		19,750 06	34,198 00	53,948 06
4 C.W	115,278-31	72,445-40	124,090-26	381,815-01	364,526-22	99,992-34	83,950-32	548,469-40
Feed	33,016 02	209,557 04	42,278 10	284,851 16		27,000 00	22,595 20	49,595 20
Rej	29,069-38	116,306-22	28,849-34	174,225-46	56,000-00	23,500-00	30,729-35	110,229-35
N.G. Tf. 3 C.W	18,254-03	62,207-26	18,652-38	99,114-19				
N.G. Tf. 4 C.W	10,546-42	26,501-40	34,346-26	71,395-12				
N.G. Tf. Feed	4,357 03	2,563 36	18 257 43	25 178 32				
N.G. Tf. Rej	3,997 04	4,316 32	2,708 16	11,022 01				
N.G. Tf. Rek. Mix. Htd	1,342-34	1,730-30	455-20	3,528-36				
Rej. Mix. Htd		3,039-28	1,100-20	4,140-00		1,666 32		1,666 32
Sample		7,079 38		7 079 38				
Total	254,766 31	542,139 38	274,031 37	1,070,938-13	420,526 22	171,909 18	171,473 45	763,909 37

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, etc. Paterson's Private Terminal Elevator—Fort William—*Continued*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Flax—							
1 N.W.C.	54,440-27		54,440-27		13,084-16	29,207-53	42,292-13
2 C.W.	5,055-12		5,055-12			6,027-49	6,027-49
3 C.W.	722-14		722-14		1,599-51	15,531-13	17,131-08
Rej.	803-10		803-10				
Rej. Mix. with Broken Wheat	1,134-24		1,134-24				
N.G. Tf. 1 N.W.C.	2,493-00		2,493-00				
N.G. Tf. 2 C.W.	2,460-02		2,460-02				
N.G. Tf. Rej. 1 N.W.C. Mix. Htd.	1,443-29		1,443-29				
N.G. Tf. Cond.					1,520-20		1,520-20
Rej. 1 N.W.C. Mix. Htd	346-18		346-18				
Cond.	6-34		6-34				
Sample		44-26	44-26				
Totals	68,905-13	44-26	68,949-38		16,204-31	50,767-03	66,971-34
Rye—							
1 C.W.	471-04		471-04				
2 C.W.	745-20		745-20		1,735-40	2,198-22	3,934-06
Rej.	2,494-36		2,494-36				
N.G. Tf. 2 C.W.	405-30		405-30				
2 C.W. Mix. with Heated Wheat	516-14		516-14				
Totals	4,632-48		4,632-48		1,735-40	2,198-22	3,934-06

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Paterson's Private Terminal Elevator during the Crop Year 1919-20.—*Concluded*

Grade	Receipts from West	Transfer Receipts	Transfer Receipts Via S.S. Van Allen	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain	1,358,850	1,415,580	1,230 22	2,897,452	.....	146,500	.....	146,500
Screenings	119,760	402,850	9,070	531,680	.....	2,529,170	169,000	2,698,170
Scalpings	179,560	298,800	.....	478,360	.....	180,000	.....	180,000
Elevator By Products	.....	195,450	9,100	204,550	.....	60,000	184,150	244,150

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Statistician.

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades of each kind of Grain at the Roy Private Terminal Elevator—Fort William—During the Crop Year, 1917-1918

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
1 Nor	4,285-30		4,285-30			9,605-00	9,605-00
2 Nor	10,701-50		10,701-50			10,178-00	10,187-00
3 Nor	104,841-20		104,841-20		10,092-00	25,439-30	35,531-30
No. 4	57,570 50	4,128 40	61,699 30		6,527 00	180,742 40	187,269-40
No. 5	47,288 40		47,288 40		8,515 01	52,554 10	61,069 20
No. 6	38,347 00		38,347 00		1,100 00	12,081 40	13,181 40
Feed	10,957 10		10,957 10		2,198 30	880 00	3,078 30
Rej. 1 Nor	1,450 20		1,450 20				
Rej. 2 Nor	1,663-30		1,663-30			1,007-20	1,007-20
Rej. 3 Nor	2,429-30		2,429-30				
Rej. No. 5	1,275 40		1,275 40				
Smutty No. 4						2,033 40	2,033-40
N.G. Tf. 1 Nor	7,337-20		7,337-10			1,100-00	1,100-00
N.G. Tf. 2 Nor	11,435-40		11,435-40				
N.G. Tf. 3 Nor	8,066 40		8,066 40				
N.G. Tf. No. 4	4,472 10		1,472 10				
N.G. Tf. No. 5	5,180 10		5,180 10			1,931 30	1,931 30
N.G. Tf. No. 6	7,387-00		7,387-00				
N.G. Tf. No. 6 Spec		1,153-50	1,153-50				
N.G. Tf. Feed	1,072 30		1,072 30				
N.G. Tf. Rej. No. 5	1,629 20		1,629 30		1,100 00		1,100 00
N.G. Tf. Smutty 2 Nor	1,009 40		1,009 10				
N.G. Tf. No. 4 Htg	631-20		631-20				
N.G. Tf. Cond. 1 Nor		1,029-20	1,029-20				
N.G. Tf. Cond					1,029 20		1,029-20
Rej. 3 Nor. Mix. Htd	483-10		483-10				
Sample		1,115 00	1,115 00				
2 A.R.W	1,634-20		1,634-20			1,100-00	1,100-00
Total	331,150-40	7,426-50	338,577-50		30,562-00	298,662-30	329,224-30
Scalpings		59,670	59,670		59,670	60,000	119,670
Total		59,670	59,670		59,670	60,000	119,670
Standard Stock Food						81,000	81,000
Total						81,000	81,000

Oats—							
2 C.W.	9,605–20	25,005–10	34,610–30		25,983–13	3,673–23	29,657–12
3 C.W.	12,631–26		12,631–26		7,384–24		7,384–24
Ex. 1 Feed	26,829–14		26,829–14		38,499–14		38,499–14
1 Feed	74,272–12		74,272–12		71,383–00	1,874–24	73,262–24
2 Feed	59,591 16	5,874 24	65,466 06		55,435 00		55,435 00
Rej	11,477–22		11,477–22		40,532–22		40,532–22
N.G. Tf. 2 C.W.	771 16		771 16		1,947 02		1,947 02
N.G. Tf. 3 C.W.	10,651–16		10,651–16		1,800–00		1,800–00
N.G. Tf. Ex 1 Feed	10,262–02		10,262–02		2,151–26		2,151–26
N.G. Tf. 1 Feed	33,810–20		33,810–20		20,536–30		20,636–30
N.G. Tf. 2 Feed	27,635–00		27,655–00		20,575–30		20,575–30
N.G. Tf. Rej	2,786 06		2,786 06		2,967 02		2,967-02
N.G. Tf. Rej. Mix. Htd	1,854–04		1,854–04		12,746–06		12,746–06
N.G. Tf. Cond. Mix. Htd	1,845–20		1,845–20				
N.G. Tf. Dp. Musty 2 Feed	102 02		102 12				
Rej. Mix. Htd	3,682–22		3,628–22		7,680–00		7,680 00
Total	287,809–24	30,880–00	318,689–24		309,727–04	6,548–18	351,275–22
Barley—							
3 C.W.						1,351–22	1,351–22
4 C.W.	4,920–10		4,920–10		687–24	7,131–30	7,819–06
N.G. Tf. 3 C.W.	2,578 36		2,578 36				
N.G. Tf. 4 C.W.	2,101–22		2,101–22			1,736–44	1,736–44
N.G. Tf. Feed	688–36		688–36				
N.G. Tf. Dp. 3 C.W.	786–22		786–22				
Total	11,075 30		11,075 30		627 24	10,220 00	10,907-24
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain	69,300	213,160	282,460		363,930		363,930
Total	69,300	213,160	282,460		363,930		363,930
Screenings					292,550	128,850	421,400
Total					292,500	128,850	421,400

Statistician.

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades of each kind of Grain at the Superior Private Terminal Elevator—Fort William—during the Crop Year 1917-18

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
Wheat—	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
1 Hard	2,417-40		2,417-40				
1 Nor	45,263-10		45,263-10		49,066 50		49,066-50
2 Nor	47,380-00		47,380 00		44,438 20	6,110-50	50,549-10
3 Nor	27,518 50		27,518 50		18,760-50	5,533 20	24,294-10
No. 4	81,315 10	1,093 20	82,408 30		60,783-30	116,657-20	177,440 50
No. 5	57,987-40		57,987-40			18,853-20	12,853-20
No. 6	16,631-20		16,631-20		3,133 20	46,483-20	49,616-40
Feed	6,676-20	20,603 00	27,279 20		17,000-00		17,000-00
No. 4 Spec		1,200-20	1,200 20				
No. 5 Spec	737-10		737 10				
Rej. 3 Nor	1,327-10		1,327 10				
Rej. No. 4					3,102-00		3,102-00
Smutty Feed		1,011-20	1,011-20				
Smutty Rej. 2 Nor	1,335 40		1,335-40				
Smutty Rej. 3 Nor. Mix. Htd		936-30	936-30				
Smutty Rej. No. 4 Mix. Htd					3,133-20		3,133 20
Smutty Rej. No. 5 Mix. Htd					4,700 00		4,700-00
Smutty Rej. No. 6 Mix. Htd		413-30	413-30				
Smutty Rej. 3 No. Mix. Cinders	1,055-40		1,055-40				
N.G. Tf. 1 Nor	3,512-10		3,512-10				
N.G. Tf. 2 Nor	10,128-30		10,128-30		1,566-40		1,566-40
N.G. Tf. 3 Nor	5,768-10		5,768-10		4,700-00		4,700-00
N.G. Tf. No. 4	7,020-50	7,709 10	14,730-00				
N.G. Tf. No. 5	2,527-50	7,690-20	10,218-10				
N.G. Tf. No. 5 Spec		737-30	737-30				
N.G. Tf. No. 6	2,113-20	7,594-20	9,707-40				
N.G. Tf. Fd	5,928-10	3,027-10	8,955-50				
N.G. Tf. Rej. 1 Nor	669-20		669-20				
N.G. Tf. Rej. 2 Nor	1,105-50		1,105-50				
N.G. Tf. Smutty No. 6		1,360-40	1,360-40				
N.G. Tf. Rej. 2 Nor. Mix. Htd	2,578 30	1,687 30	4,266-00		1,566-40		1,566-40
N.G. Tf. Rej. 3 Nor. Mix. Htd	1,421 00	1,920 40	3,341-40		3,133-20		3,133-20
N.G. Tf. Rej. 3 Nor. Mix. Htd. and Htg	1,436-40		1,436-40				
N.G. Tf. Rej. No. 4 Mix. Htd	2,361-00	2,163-20	4,524-20		2,666-40		2,666-40
N.G. Tf. Rej. No. 4 Htd	492 50		492 50				
N.G. Tf. Rej. No. 5 Mix. Htd	1,301-00	1,579-40	2,880-40		8,933-20		8,933-20
N.G. Tf. Rej. No. 6 Mix. Htd					1,566-40		1,566-40
N.G. Tf. Rej. Fd. Rej. Mix. Htd					1,566-40		1,566 40
N.G. Tf. Cond. No. 2	1,587-20		1,587-20		1,566-40		1,566-40
Rej. 1 Nor. Mix. Htd	2,930 00	4,588 00	7,518-00		1,542-50		1,542-50
Rej. 2 Nor. Mix. Htd	6,104-50	3,877-40	9,982-30		1,566-40		1,566-40

Rej. 3 No. Mix. Htd	10,772-00	6,765-10	17,537-10	28,241-20		28,241-20
Rej. No. 4 Mix. Htd	1,072-30	13,820-40	14,893-10	36,192-00	1,566-40	37,758-40
Rej. No. 4 Spec. Mix. Htd	411-40		411-40			
Rej. No. 5 Mix. Htd		2,965-50	2,965-50	10,833-20		10,833-20
Rej. No. 6 Mix. Htd		1,098-40	1,098-40			
Rej. Fd. Mix. Htd	1,350-20		1,350-20			
Rej. 1 Nor. Mix. Cinders		1,119-10	1,119-10			
Rej. 2 Nor. Mix. Cinders	2,620-00		2,620-00			
Rej. 2 Nor. Mix. Gravel		5,305-20	5,305-20			
Rej. 3 Nor. Mix. Sand and Gravel		11-40	11-40			
Cond. No. 1	1,101-50		1,101-50			
Sample		27,229-40	27,229-40			
Total	365,961-30	127,510-40	493,472-10	309,761-00	189,204-50	498,965-50
Oats—						
2 C.W	12,890-00	5,320-10	18,210-10	50,770-30	1,941-06	52,712-02
3 C.W	20,541-26		20,541-26	36,037-12	9,372-32	45,410-10
Ex. 1 Fd	12,217-12		12,217-12	13,935-00		13,935-00
1 Fd	45,306-16	3,837-32	49,144-14	46,733-08	5,817-12	52,550-20
2 Fd	34,309-14	29,367-22	63,677-02	73,058-28	7,764-24	80,823-18
Rej	19,877-22	56,892-12	76,770-00			
N.G. Tf. 2 C.W	8,089-04	38,725-10	46,814-14	1,941-06		1,941-06
N.G. Tf. 3 C.W		12,754-24	12,754-24			
N.G. Tf. Ex. 1 Fd	3,883-08	24,799-04	28,682-12	1,500-00		1,500-00
N.G. Tf. 1 Fd	11,267-12	34,682-12	45,949-24			
N.G. Tf. 2 Fd	15,904-24	27,526-06	43,430-30			
N.G. Tf. Rej		13,983-08	13,983-08			
N.G. Tf. Rej. Mix. Htd. and Htg	1,864-14		1,864-14	1,941-06		1,941-06
N.G. Tf. Rej. Mix. Htd	2,569-04	2,707-22	5,276-26			
Rej. Mix. Htd	2,222-02	27,231-16	29,453-18	1,941-06		1,941-06
Cond		2,018-18	2,018-18	3,882-12		3,882-12
Damp Cond. Htd		1,722-12	1,722-12			
Sample		13,242-32	13,242-32			
Total	190,942-22	294,812-02	485,754-24	231,741-06	24,896-06	256,637-12
Barley—						
No. C. W				1,750-00		1,750-00
4 C. W		2,323-26	2,323-26	8,625-00	2,625-00	11,250-00
Feed	4,312-04	1,851-42	6,163-46	11,858-06		11,858-06
N.G. Tf. 3 C.W	573-34	793-36	1,367-22			
N.G. Tf. 4 C.W	6,418-06	3,289-18	9,707-24			
N.G. Tf. Fd	2,346-12	1,161-12	3,507-24			
N.G. Tf. Rej	3,761-12	1,269-28	5,030-40	1,375-00		1,375-00
N.G. Tf. Rej. Mix. Htd	1,070-20		1,070-20			
Sample		4,847-44	4,847-44			
Rejected	12,134-38	6,342-46	18,477-36	33,958-16		33,958-16
Total	30,616-30	21,880-12	52,496-42	57,566-22	2,625-00	60,191-22

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT– Showing the Receipts and Shipments by Grades of each kind of Grain at the Superior Private Terminal Elevator- Fort William during the Crop Year 1917-18 *Concluded*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Flax—							
3 C. W.	26-55						
Rej. Mix. with Broken Wheat	163 55						
Total	190-54		190-54				
Rye—							
2 C.W.		663-02					
Rej. Mix. Ergot					1,029-06		1,029-06
Sample		736 14					
Total		1,399 16	1,399 16		1,029 06		1,029-06
Mixed Grain	Lbs. 589,550	Lbs. 1,036,740	Lbs. 1,626,290		Lbs. 629,000		Lbs. 629,000
Screenings	193,090	484,230	677,310		785,240	159,180	944,420
Scalpings	171,850		171,850		264,000		264,000

Statistician.

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades of each kind of Grain at the Western "G" Private Terminal Elevator "G"—Fort William - during the Crop Year 1917-1918

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
1 Nor		1,323-10	1,323 10				
2 Nor	9,216 50		9,216 50			2,522 20	2,522-20
3 Nor	422,909 40	2,512 20	425,422 00	33,867 10		3,300 00	37,167-10
No. Four	295,368 10	44,822-10	340,190-20	856,303-30	326,166-40	183,789-10	1,376,259-20
No. 4 Special	576 40		576 40				
No. Five	166,119-50	61,946-10	228,066-00	29,042-00			29,042-00
No. Five Special		998-00	998-00				
No. Six	76,400 10	46,494 50	122,895 00			2,550-10	2,550-10
No. Six Special	474 00	1,029 20	1,503 20				
Feed	9,677 50	23,030 40	32,708 30	3,000-00	6,874 50		9,874-50
Rej. 1 Nor	3,767 10		3,767-10				
Rej. 2 Nor	3,010-30		3,010-30				
Rej. 3 Nor	5,616-50		5,616 50				
Rej. No. Four	5,322-10	11,520-50	17,843-00				
Rej. No. Four Special		1,102-30	1,102-30				
Rej. No. Five		1,260-40	1,260-40				
Smutty 1 Nor	2,676-00		7,676 00				
Smutty 2 Nor	3,310 20	680 30	3,990 50				
Smutty 3 Nor	3,256 10	12 00	3,268 10				
Smutty No. Four	1,035 30	21,021 50	22,057 20				
Smutty No. Five	427 30	6,700 40	7,128 10				
Smutty No. Six	1,029 00	1,006 10	2,035 10				
Smutty Rej. 2 Nor		988-20	988 20				
N.G. Tf. 1 Nor	19,677 00		19,677 00				
N.G. Tf. 2 Nor	23,517 10		23,517 10				
N.G. Tf. 3 Nor	44,499-00	32,237-30	76,736-30				
N.G. Tf. No. Four	13,228-30	15,886-10	29,114-40			68-30	68-30
N.G. Tf. No. Five	23,407-50	20,158-40	43,566-30				
N.G. Tf. No. Six	6,797 20	5,716 40	12,514 00				
N.G. Tf. Feed	2,338 50	3,993 40	6,332 30				
N.G. Tf. Rej. 2 Nor	1,467-10	1,075-40	2,542-50				
N.G. Tf. Rej. 3 Nor	1,080 10		1,080 10				
N.G. Tf. Rej. No. Four		5 10	5 10				
N.G. Tf. Smutty 1 Nor	1,077-40		1,077-40				
NIG. Tf. Smutty 2 Nor	1,016 00		10,016 00				
N.G. Tf. Smutty 3 Nor	1,416 40		1,416 40				
N.G. Tf. Smutty No. 4		945-10	945-10				
N.G. Tf. Smutty No. 5	1,130-40		1,130-40				
N.G. Tf. Smutty Feed		979-20	979-20				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades of each kind of Grain at the Western "G" Private Terminal Elevator "G"—Fort William—during the Crop Year 1917-1918

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—Con.							
N.G. Smutty No. 6 Mix. Htd					2,343-00		2,343-00
N.G. Tf. Rej. 2 Nor. Mix. Htd	766-40	11 50	778-30				
N.G. Tf. Rej. 3 Nor. Mix. Htd	3,028-10	940-00	3,968-10		1,566-40		1,566-40
N.G. Tf. No. 4 Mix. Htd	386 30	1,335 10	1,721 40		4,222-20		4,222-40
N.G. Tf. No. 6 Mix. Htd		313-50	313-50				
N.G. Tf. Rej. No. 5 Htd	2,798-40	1,413-10	4,211-50				
N.G. Tf. Rej. No. 4 Mix. Htd	928-00		928 00				
N..G.. Tf. Rej. 4 Reg. Mix. Htd	63-00		63-00				
N.G. Tf. Rej. 5 Rej. Mix. Htd							
N.G. Tf. Rej. 4 Mix. Htd							
N.G. Tf. Rej. 4 Mix. with Kernels							
N.G. Tf. 3 Norl Htg	1,143-00		1,143-00				
N.G. Tf. Dp. No. 4 Htg	863-50		863 50				
N.G. Tf. Cond. 1 Nor		1,069 40	1,069 40				
N.G. Tf. Cond. Dp. 2 Nor							
N.G. Tf. Cond. 2 Nor. Htg	282 10		282-10				
N.G. Tf. Dp. Rej. 1 A.R.W. Mix. Htd		1,401-40	1,401-40				
N.G. Tf. Cond. Jtd. Mix. Tortten Kernels	639 20		639 20				
N.G. Tf. Cond. Tf. Rej. No. 4 Mix. Gravel	1,158-40	1,333 30	2,492-10				
H.G. Dp. Cond. 2 Nor	257 20		257-20				
Cond. 2 Nor	24 50	969-50	994 40			269-00	269-00
Dr. Cond. 2 Nor		512-50	512-50				
Rej. 1 Nor. Mix. JHtd	1,168-50		1,168-50				
Rej. 2 Nor. Mix. Htd	4,145-00		4,145-00		1,100-00		1,100-00
Rej. 3 No. Mix. Htd	3,715 50		3,715 50				
Rej. No. 4 Mix. Htd		350-00	350-00		2,119-00		2,119-00
Rej. No. 5 Mix. Htd		1,327-50	1,327-20		990-20		990-00
Rej. No. 6 Mix. Htd		518-20	518-20		11,674-40		11,674-40
N.G. Tf. Feed Mix. Htd	580-00		580-00		8,912-30	1,375-00	10,287-30
Sample		53,585-30	53,585 30				
3 No. Goose	1,388-00		1,388-00				
3 Nor. A.R.W	2,652-10		2,652-10				
Rej. 3 Nor. Mix. Gravel		1,380-00	1,380-00				
Rej. 2 Nor. Mix. Coal		1,037-30	1,037-30				
Rej. No. 4 Mix. Fireburnt		82-20	82-20				
Sundries						24 50	24-50
Total	1,181,838-20	375,030-40	1,556,869-00	932,212 40	365,969 40	193,899-00	1,492,081-

Oats—							
2 C.W.		19,945-20	19,945-20	39,986–17			39,986–17
3 C.W.	2,140 30	2,001 26	4,142-22		4,705-30		4,705-30
Ex. 1 Feed	9,834 24	19,137 32	28,972 22	25,000-00	24,529–14	20,645–10	70,174–24
1 Feed	9,770 20		9,770 20		84,296–26	3,392 22	87,689–14
2 Feed	9,819-24	70,799 24	80,619 14		4,769 24		4,769-24
Rejected	9,110-30	29,838–18	38,949–14			5,025–00	5,025–00
Tf. 2 C.W.		11,908–18	11,908–18				
Tf. 3 C.W.		1,170-30	1,170-30				
Tf. Ex. 1 Feed		20,302-02	20,302-02				
Tf. 1 Feed		21,263 28	21,263-28				
Tf. 2 Feed	46 16	9,294–04	9,340-20				
Tf. Cond. Htd. & Htg	1,969–04		1,969–04			2,137–32	2,137–32
Sample		14,896 06	14,896 06				
Total	42,692 12	220,559-04	263,251–16	64,986–17	118,301–26	31,200-30	214,489–05
Barley—							
3 C.W.	586–12	1,361-42	1,948–06				
4 C.W.	2,400-30	141,926 32	144,327-14	187,574-08		12,698–26	200,272–34
Feed	1,279 18	9,940 20	11,219 38			20,602-34	20,602-34
Rejected	280 20	55,541-22	55,821 42			1,067–14	1,067 14
N.G. Tf. 3 C.W.	3,152–34		3,152–34			1,258–36	1,258–36
N.G. Tf. 4 C.W.	1,923 46	1,285 00	3,208-46				
N.G. Tf. Feed	661-32	983 36	1,645-20				
N.G. Dp. Tf. Feed	615–10		615–10				
N.G. Tf. Cond. Htd. & Htg		206-22	206–22				
Sample		2,655 30	2,655–30				
Total	10,900–10	213,901–12	224,801–22	187,574–08		35,627–14	223,201–22
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Standard Stock Food	65,480		65,480		15,840	27,720	43,560
Elevator by Products	59,836	84,050	143,880		340,720		340,720

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, etc., at the Western Private Terminal Elevator- Fort William—*Continued*

Grade	Receipts from West	Transfers	Total Receipts	Shipment by Vessels	Shipments by Rail	Transfers	Total Shipments
Flax—							
1 N. W.C.	1,077 39		1,077-39			3,287 48	3,287-48
2 C.W.	617-43		617-43			1,759-44	1,759-44
3 C.W.						308-16	308-16
N.G. Tf. 1 N.W.C.	639-10		639-10				
N.G. Tf. 3 C.W.	336-18		336-18				
N.G. Tf. 1 N.W.C. Htg.	1,562.11		1,562 11				
N.G. Tf. 2 C.W. Htd. and Htg.	493-10		493-10				
N.G. Tf. 2 C.W. Htg.	595-38		595 38				
N.G. Tf. Rej. 2 C.W. Htd. Mix.	284-33		284-33				
Rej. 2 Nor. C.W. Mix. Htd.						356-34	356-34
N.G. Tf. Rej. 2 C.W. Mix. Htg.	372-12		372-12			285-03	285-03
Rej. Mixed Broken Wheat	134-31		134-31			19-10	19-10
Total	6,113-21		6,113-21			6,016-43	60,16-43
Rye—							
2 C.W.		1,400-40	1,572-08		1,580-30		1,580-30
Tf. 4 C.W.	171-24						
Mixed Grain	lbs. 553,060	lbs. 1,444,730	lbs. 1,977,790	lbs. 846,000	lbs. 805,470	lbs. 3,031,830	lbs. 4,683,300
Screenings	lbs. 792,070	lbs. 511,980	lbs. 1,304,050	lbs. 199,130	lbs. 1,836,930	lbs. 112,500	lbs. 2,148,560
Scalpings		lbs. 108,030	lbs. 108,030			lbs. 61,750	lbs. 61,750

APPENDIX No. 3

BOARD OF GRAIN COMMISSIONERS FOR CANADA

ANNUAL REPORT of Handlings of Grain at Private Terminal Elevators Winnipeg, Fort William and Port Arthur

CROP YEAR 1918-19

INDEX

	Pages
Winnipeg—	
Anchor	1994
Paterson's	199
Fort William and Port Arthur—	
Black's	1998
Bole's	2000
Canadian Feed Manufacturing Co	2002
Davidson & Smith	2004
Dwyers	2006
Merchants	2008
Muirheads	2010
Mutual	2012
National	2015
North-Western	2019
Paterson's	2021
Roy's	20-6
Superior	2027
United Grain Growers "H"	2029
Western "G"	2032

STATEMENT—Showing the Receipts and Shipments at the Anchor Private Terminal Elevator, Winnipeg (by Grades) during the crop year (Sept. 1st, 1918 to August 31st, 1919

Grade	Receipts	Shipments
	Net Bush.	Net Bush.
Wheat—		
1 Nor	1,132-20	
No. 5	50-40	
Smutty 3 Nor	63-50	
N.G. Tgh. Smutty No. 6	425-30	
N.G. Tgh. Cond. Fireburnt		46,333-20
Cond. No. 1 Heated		2,200-00
Cond. No. 2 Heated		1,100-00
Cond. Heated		26,166-40
Cond. Fireburnt		15,766-40
Total	1,672-20	91,566-40
Oats—		
2 C.W.	68,522-32	40,020-10
3 C.W.	144,429-24	36,476-16
Ex. 1 Fd.	104,136-16	46,558-18
1 Fd.	166,695-10	160,510-30
2 Fd.	181,798-28	38,457-22
Rej'd	74,149-24	
N.G. Tgh. 2 C.W.	21,327-12	1,846-16
N.G. Tgh. 3 C.W.	23,145-30	1,910-30
N.G. Tgh. Ex. 1 Fd.	28,136-06	5,823-18
N.G. Tgh. 1 Fd.	92,974-24	19,270-20
N.G. Dp. 1 Fd.	1,775-10	
N.G. Tgh. 2 Fd.	31,715-20	5,823-18
N.G. Tgh. Rej'd	9,203-08	
N.G. Tgh. Ex. 1 Fd. Htg.	2,014-04	
N.G. Tgh. 1 Fd. Htg.	1,995-10	
N.G. Tgh. 2 Fd. Htg.	3,665-30	
N.G. Tgh. Rej'd. Mxd. Htd.	3,765-00	
N.G. Tgh. Rej'd. Mxd. Htd. and Htg.	4,182-02	
N.G. Tgh. Cond.		6,100-00
N.G. Tgh. Cond. Htd.	4,482-32	
Rej'd. Htd.	4,875-00	
Rej. Mxd. Gravel and Cinders	40-10	
Cond.		6,882-12
Total	973,031-26	369,681-06
Barley—		
3 C.W.	24,283-36	12,665-30
4 C.W.	32,170-10	57,782-04
Rej'd	5,886-22	3,250-00
Feed	15,177-14	6,706-04
N.G. Tgh. 3 C.W.	1,583-36	
N.G. Tgh. 4 C.W.	2,603-16	5,208-16
N.C. Tgh. Feed	674-28	
Total	82,379-18	85,612-04

APPENDIX No. 3

ANCHOR PRIVATE TERMINAL ELEVATOR

Grade	Receipts	Shipments
Flax—		
Cond.		628-42
Rye—		
2 C.W.	1,289-36	
N.G. Tgh. 2 C.W. Htg.	1,327-38	
Total	2,616-18	
Mixed Grain—	Lbs.	Lbs.
Barley and Wild Oats	39,620	73,480
No. 3	301,670	
Mixed Grain	151,210	
Rye and Wheat	92,120	92,150
Oats and Wild Oats	327,830	
Wheat and Flax		66,000
Cond. Htd. Fireburnt		508,000
Total	912,450	739,630
Screenings	2,181,890 Lbs.	185,700 Lbs.

STATEMENT—Showing the Receipts and Shipments—by grades—at Paterson's Private Terminal Elevator, Winnipeg, during the crop year (Sept. 1st., 1918 to August 31st, 1919

Grade	Receipts	Shipments
	Net Bush.	Net Bush.
Wheat—		
1 Hard	2,168-40	1,096-40
1 Nor	281,721-40	353,684-30
2 Nor	224,129-30	218,055-20
3 Nor	92,517-40	98,012-50
No. 4	42,501-10	40,250-30
No. 5	19,842-20	22,674-00
No. 6	15,466-50	23,001-10
Feed	5,162-30	11,885-50
Rej'd. 1 Nor	30,251-00	4,094-10
Rej'd 2 Nor	17,411-50	4,241-10
Rej'd No. 4	3,865-00	1,197-20
Rej'd 3 Nor	3,989-10	.....
Rej'd No. 5	2,417-50	.....
Smutty 1 Nor	1,240-30	.....
Smutty 2 Nor	2,085-10	2,806-50
Smutty 3 Nor	1,041-40	3,333-20
Smutty Rej. 3 Nor	1,197-30	.....
N.G. Tgh. 1 Nor	6,855-20	.....
N.G. Tgh. 2 Nor	6,231-30	.....
N.G. Tgh. 3 Nor	3,234-40	.....
N.G. Tgh. No. 4	2,467-20	.....
N.G. Tgh. No. 5	1,438-30	.....
N.G. Tgh. Feed	859-10	.....
N.G. Tgh. No. 4	984-20	.....
N.G. Dp. No. 5	1,037-40	.....
N.G. Dp. No. 6	504-20	.....
N.G. Dp. Feed	2,392-00	.....
N.G. Tgh. Rej'd. 2 Nor	3,582-00	.....
N.G. Tgh. Rej'd 3 Nor	1,029-50	.....
N.G. Tgh. Smutty 1 Nor	1,391-20	.....
N.G. Tgh. Smutty No. 5	471-30	.....
N.G. Tgh. Smutty No. 6	985-10	985-10
N.G. Dp. Smutty No. 6	541-30	.....
N.G. Dp. Fd. Rej. Mxd. Htd. and Htg	2,134-20	1,067-40
N.G. Tgh. Sm. Fd. Rej. Mxd. Htd. and Htg	1,039-10	1,039-10
Total	784,489-40	787,525-40
Oats—		
2 C.W	29,720-10	45,916-06
3 C.W	38,901-06	15,945-30
Ex. 1 Fd	27,199-04	45,094-04
1 Fd	59,689-04	30,002-22
2 Fd	87,948-18	147,329-24
Rej'd	14,098-08	65,258-28
N.G. Tgh. 2 C.W	2,979-04	2,000-00
Ng. Tgh. 3 C.W	5,438-06	.....
N.G. Tgh. Ex. 1 Fd	20,372-02	.....
N.G. Tgh. 1 Fd	27,216-16	9,800-00
N.G. Tgh. 2 Fd	21,701-06	17,740-30
N.G. Tgh. Rej	5,733-28	5,600-00
N.G. Tgh. Rej. Mxd. Htd	1,910-10	.....
N.G. Dp. Cond. Htg	1,424-24	.....
Heated	.....	3,529-14
Total	344,332-12	388,217-32

APPENDIX No. 3

PATERSON'S PRIVATE TERMINAL ELEVATOR

Grade	Receipts	Shipments
	Net Bush.	Net Bush
Barley—		
3 C.W.	113,457–34	138,132–34
4 C.W.	60,388–16	72,636–12
Rej'd	34,496 12	9,958 16
Feed	32,256–42	26,384–38
N.G. Tgh. 3 C.W.	12,001–02	1,333–36
N.G. Tgh. 4 C.W.	6,932–14	2,750–00
N.G. Tgh. Rej.	1,440–30	1,440–30
N.G. Tgh. Fd.	2,716–12	.....
N.G. Dp. 4 C.W.	1,515 10	.....
Total	265,204–28	252,636–22
Flax—		
1 N.W.C.	1,150–40	1,150–40
3 C.W.	1,569–26	1,595–20
N.G. Tgh. 1 N.W.C.	.....	192–38
N.G. Dp. 2 C.W.	115 30	.....
Total	2,835–40	2,938–42
Rye—		
2 C.W.	10,024–46	11,411–14
Rej'd	8,649–26	2,418–32
N.G. Tgh. 2 C.W.	3,592–48	1,922–18
N.G. Tgh. Rej'd	831–34	2,500–00
Rej. Mxd. Ergot	.....	3,067–48
Total	23,148–42	21,320–00
Mixed Grain—	Lbs.	Lbs.
No. 2	.....	1,220
No. 3	87,120	68,000
Oats and Wild Oats	701,230	61,200
Barley and Wild Oats	115,700	.....
Total	904,050	130,420
Screenings	Lbs. 1,456,680	Lbs. 2,078,950
Corn	Bush.	Bush. 184–16

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades at Black's Private Terminal Elevator during the Crop Year (September 1, 1918 to March 24, 1919

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
1 Nor	1,039-00		1,039-10		1,100-00	1,333-20	2,433-20
2 Nor	10,367-40		10,367-40		2,666-40	2,900-00	2,566-40
3 Nor	200,688-30		200,688-30	154,137-00	36,966-40	11,877-30	202,981-10
No. 4	295,600-00	1,344-30	296,944-30	362,366-10	39,400-00	69,177-10	470,943-20
No. 5	217,329-20	8,796-10	226,126-30	83,707-50	26,333-20	57,360-10	167,401-20
No. 6	119,451-40	14,604-30	134,056-10	25,934-50	3,133-20	177,931-40	206,999-50
Feed	27,033-00	53,672-40	80,705-40			26,820-10	26,820-10
Rej. No. 4	1,004-40		1,004-40				
Smutty 3 Nor	1,168-00		1,168-00			1,158-00	1,158-00
Smutty No. 4	1,085 00	1,119 50	2,204-50			1,090-40	1,090-40
Smutty No. 5	1,158-10		1,158-10			990-00	990-00
N.G. Tgh. 1 Nor	5,988-40		5,988-40				
N.G. Tgh. 2 Nor	17,274 20	1,126-40	18,401-00				
N.G. Tgh. 3 Nor	14,624-10	3,053-20	17,677-30			2,200-00	2,200-00
N.G. Tgh. No. 4	25,478-50	10,170 10	35,649-00			5,642-50	5,642-50
N.G. Tgh. No. 5	26,958-00	4,772-00	31,730-00		1,100-00	4,629-10	5,729-10
N.G. Tgh. No. 6	28,281-40	14,539 00	43,820-40			34,558-00	34,558-00
N.G. Tgh. Feed	13,310 00	8,801-20	22,111-20			3,344-40	3,344-40
N.G. Tgh. Smutty No. 5	1,284-40		1,284-40				
N.G. Tgh. Smutty No. 6		1,302-00	1,302-00			1,299-30	1,299-30
N.G. Tgh. Rej. No. 6	571-00		571 00				
Rej. 3 Nor. Mxd. Htd					2,000-00		2,000-00
Rej. 3 Nor. Mxd. Fireburnt					1,566-40		1,566-40
Total	1,010,696-20	123,302-10	1,133,998 30	626,145-50	114,266-40	402,312-50	1,142,725-20
Oats—							
1 Feed	943-08		943-08			8,344-04	8,344-04
2 Feed	4,269-24		4,269-24				
Rej	5,405-00		5,405-00			1,741-06	1,741-06
Total	10,617-32		10,617-32			10,085-10	10,085-10
Rye—							
Rej	1,205-40		1,205-40				
Mixed Grain					Lbs.	Lbs. 95,570	Lbs. 95,570

Screenings					346,970	79,850	426,820
Scalpings		69,990	69,990			54,610	54,610
Standard Stock Food						6,600	6,600
Elevator By-Products						129,210	129,210

NOTE.—This elevator was destroyed by fire March 24, 1919

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENTS—Showing the Receipts and Shipments—by grades—at Bole's Private Terminal Elevator during the Crop Year (September 1st, 1918 to August 31st, 1919)

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
1 Nor	1,049-20		1,049-20		1,072-30		1,072-30
No. 4						769-50	769-50
No. 6						1,454-40	1,454-40
Feed		649-10	649-10				
N.G. Tgh. Rej. No. 4 Mxd. Fireburnt	398-00		398-00				
Sample		636-50	636-50				
Total	1,447-20	1,286-00	2,733-20		1,072-30	2,224-30	3,297-00
Oats—							
2 C.W		5,551-06	5,551-06		3,882-12		3,882-12
3 C.W	110,39-04		11,039.04		2,484-14		2,484-14
Ex. 1 Feed		4,000-20	4,000 20				
1 Feed	7,968-08		7,968-08		1,941.06		1,941-06
2 Feed	24,457-02	62,910-22	87,367-24		11,647-02		11,647-02
Rej	5,355 00	112,192-32	117,547-32		1,117 22		1,117-22
N.G. Tgh. 2 C.W	2,420-10	13,478-18	15,898-28				
N.G. Tgh. Ex. 1 Feed	3,153 28	9,277-12	12,431-06				
N.G. Tgh. 1 Feed	1,846-26	15,380-20	17,227-12				
N.G. Tgh. 2 Feed	1,742-32	15,061-16	16,804-14		3,794-04		3,794-04
N.G. Tgh. Rej	1,954 24	6,194-14	8,149-04				
N.G. Tgh. Rej. Mxd. Htd	1,668-08	3,582-22	5,250-30				
N.G. Tgh. 2 Feed Htd						1,968-18	1,968-1'
N.G. Tgh. Cond. Htd	1,447-12		1,447-12				
N.G. Tgh. Cond. Htg		8,059-14	8,059-14			2,037-32	2,037-32
N.G. Tgh. Cond					3,882 12		3,882-12
N.G. Tgh. Mxd. Htd. and Htg		1,585 30	1,585-30				
Rej. Mxd. Htd	1,973-08	26,806-26	28,780-00		46,181-06	4,000-00	50,181-06
Cond		2,154-04	2,154-04				
Cond. Mxd. Htd		8,162-12	8,162-12				
Sample		21,957-22	21,957-22				
Totals	65,026-26	316,356-18	381,383-10		74,930-10	8,006-16	82,936-26

Barley—												
3 C.W.												
N.G. Tgh. 3 C.W.												
N.G. Tgh. 4 C.W.												
	1,723–36 451–32		1,723–36 451–32			1,730–30						1,730–30
Total	2,175–20		2,175–20			1,730–30						1,730–30
Mixed Grain	lbs. 70,530	lbs. 1,002,350	lbs. 1,072,880	lbs.		lbs 49,500	lbs					lbs. 49,500
Scalpings	lbs. 455,240	lbs. 430,530	lbs. 885,770			lbs. 68,000						Lbs. 68,000
Standard Stock Food						lbs. 15,840						lbs. 15,840

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Canadian Feed Manufacturing Company's Private Terminal Elevator during the Crop Year 1918-1919

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Nor						2,902-50	2,902-50
No. 2 Nor						1,469-20	1,469-20
No. 3 Nor	8,227-20	14,886-40	23,114-00		9,008-40	41,597-50	50,606-30
No. 4	17,743-20	20,355-40	38,099-00			34,205-10	34,205-10
No. 5	15,644-10	10,794-00	26,438-10			9,110-20	9,110-20
No. 6	25,054-40	22,966-10	48,020 50			72,994-00	72,994-00
Feed	3,107-20	1,838-40	4,946-00			2,227-20	2,227-20
Rej. 3 Nor	1,008 50		1,008-50				
N.G. Tgh. No. 4	1,096-50		1,096-50				
N.G. Tgh. 3 Nor	2,131-20	2,420-20	4,551-40				
N.G. Tgh. No. 5	3,787-30	2,549-20	6,336-50				
N.G. Tgh. No. 6	6,030-50	5,436-00	11,466 50			1,409-20	1,409-20
N.G. Tgh. Feed	2,555-10		2,555-10				
Rej. No. 5 Mix. Htd						1,233-40	1,235-40
Rej. No. 6 Mix. Htd		3,608-00	3,608-00			2,546-20	2,546-20
Rej. Smutty No. 5 Mix. Htd		444-20	444-20				
Cond		604-40	604-40				
Total	86,387-20	85,903-50	172,291-10		9,008-40	169,698-10	178,706-50
Oats—							
3 C.W					1,956-16	8,232-12	10,188-28
Ex. 1 Feed	2,173-28		2,173-28		3,853-18	360-00	4,213-18
1 Feed	4,067-02		4,067-02		42,827-22	3,624-24	46,452-12
2 Feed	11,067-02	45,005-20	56,072-22		98,347-02	23,007-12	121,354-14
Rej		37,350 20	37,350-20		7,957-02	2,195-30	10,152-32
N.G. Tgh. 2 C.W	1,963-28	7,919 14	9,883 08				
N.G. Tgh. 3 C.W		2,218-28	2,218-28				
N.G. Tgh. Ex. 1 Fd		6,247 22	6,247-22				
N.G. Tgh. 1 Feed		19,658-28	19,658-28				
N.G. Tgh. 2 Feed	1,829-24		1,829-24				
N.G. Tgh. Rej		5,702-12	5,702 12				
N.G. Tgh. Sample		2,020-00	2,020-00				
Rej. Mxd. Htd	3,888-08	38,765-10	42,653-18		7,472-32		7,472-32
Sample		1,804-04	1,804-04				
Total	24,989-24	166,692 22	191,682-12		162,414-24	37,420-10	199,835-00

Barley—							
4 C.W.	1,245–40	8,237–44	9,483–36		35,040–20	1,762–44	36,803–16
Feed	2,976–32	25,811–12	28,787–44				
Rej.	4,065 20	17,475 24	21,540 44		2,744–08		2,744–08
N.G. Tgh. 4 C.W.		1,719–08	1,719–08				
N.G. Tgh. Feed		4,168–16	4,168–16				
N.G. Tgh. Rej.	1,198–26	9,439–28	10,638–06				
N.G. Tgh. 3 C.W. Rej. Mxd. Htd.		2,387–04	2,387–04				
N.G. Tgh. Rej. Mxd. Htd.		1,510 20	1,510 20				
Sample		1,130–20	1,130–20				
Total	9,486 22	71,879 32	81,366 06		37,784 28	1,762–44	39,547 24
Flax—							
2 C.W.	805–41		805–41				
3 C.W.	17 08		17–08				
Cond.	26–52		26–52				
Total	849 45		849 45				
Corn		3,678 32	3,678 32				
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain		714,110	714,110			103,510	103,510
Screenings	381,120	2,345,740	2,726,860		1,084,520 600 bags (not officially weighed)		1,084,520 600 bags (not officially weighed)
Scalpings	111,810	451,340	563,150		108,780	71,480	180,260
Standard Stock Food		3,995,000	3,995,000		61,860	146,010	207,870
Elevator By-Products	74,120	315,160					

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments—by Grades—at the Davidson & Smith Private Terminal Elevator during the Crop Year (from September 14 to December 21, 1918, inclusive)

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
1 Nor	400,871-20		400,871-20	567,331 40			557,331-40
2 Nor	137,675-50		137,675-50	80,519-20			80,519-20
3 Nor	86,668-40		86,668-40	47,381-00			47,381-00
No. 4	40,553 00		40,553-00	40,420-00			40,420-00
No. 5	16,129-50		16,129-50		20,900-00		20,900-00
No. 6	10,435-00		10,436 00				
Rej. 1 Nor	17,070-10		17,070-10				
Rej. 2 Nor	5,905-10		5,905-10				
Rej. 3 Nor	1,174-50		1,174-50				
Rej. No. 5	1,523-00		1,523-00				
Smutty 2 Nor	1,954-50		1,954-50			5,991-40	5,991-40
Smutty 3 Nor	2,148-10		2,148-10				
Smutty No. 4	966-40		966-40				
Smutty No. 5						1,738-20	1,738-20
Smutty No. 6						1,084-10	1,084-10
Smutty No. 2 Goose	1,456-10		1,456 10			2,883 20	2,883-20
Smutty No. 3 Goose	1,478 40		1,478 40				
N.G. Tgh. 1 Nor	5,129-30		5,129-30				
N.G. Tgh. 2 Nor	4,920 00		4,920 00				
N.G. Tgh. 3 Nor	9,335-40		9,335-40				
N.G. Tgh. No. 5	2,590 50		2,590-50				
N.G. Tgh. No. 6	946-10		946-10				
N.G. Smutty 2 Nor	1,975-10		1,975-10				
N.G. No. 2 Goose	1,095-10		1,095-10				
Total	752,003-50		752,003-50	725,652-00	20,900-00	11,697-30	758,249-30
Oats—							
2 C.W	8,787-22		8,787-22				
3 C.W	13,029-14		13,029 14		4,588-08		4,588-08
Ex. 1 Feed	1,824-14		1,824-14		315,400-00		315,400-00
1 Feed	4,352-12		4,352-12		219,917-22		219,917-22
2 Feed	14,685-40		14,685-40		76,752-32		76,752-32
Rej	3,918-08		3,918-08				
N.G. Tgh. Ex. 1 Feed	719-24		719-24				
N.G. Tgh. Ex. 2 Feed	1,945-10		1,945-10				
Rej. Mxd. Htd					4,235-10		4,235-10
Total	49,263-08		49,263-08		620,894-04		620,894-04

Barley—							
Ex. 3 C.W.	1,392-24		1,392-24		1,364-28		1,364-28
3 C.W.	24,496-38		24,496-38		2,945-30		2,945-30
4 C.W.	19,339-18		19,339-18				
Feed	4,016-22		4,016-22				
Rej.	14,611-42		14,611-42				
N.G. Tgh. 3 C.W.	4,827-34		4,827-34				
N.G. 3 C.W. Tgh. and Htg.	1,675-10		1,675-10				
Total	70,359-44		70,359-44		4,310-10		4,310 10
Rye—							
3 C.W.	1,940 00		1,940-00				
Total	1,940-00		1,940-00				
Corn						Bush. 91,890	Bush. 91,890
Mixed Grain	Lbs. 12,870				Lbs.		Lbs.
Screenings					867,250		867,250
Elevator By-Products					391,750		391,750

NOTE.—This Elevator only operated as a Private Terminal for a portion of the Crop Year.

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments—By Grades—At the Dwyers Private Terminal Elevator during the Crop Year from Sept. 1st 1918 to August 31st, 1919

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
1 Hard	4,752-20		4,752-20				
1 Nor	509,932-30		509,932-30	681,043-30	97,184-20	3,117-40	781,345-30
2 Nor. old	199,197-20		199,197-20		33,216-40	4,361-50	37,578-30
2 Nor. new	2,780-40		2,780-40				
3 Nor. old	220,843-40		220,843-40	145,220-30	80,629-20	44,184-10	270,034-00
3 Nor. new	3,715-10		3,715-10				
No. 4	188,158-00	41,759-20	229,917-20	10,571-00	76,885-20	74,962-10	162,418-30
No. 5 old	97,387-30	17,787-50	115,175-20	18,535-30	42,433-20	83,130-20	144,099-10
No. 5 new	1,416-10		1,416-10				
No. 6	63,195-10	4,677-50	67,873-00			57,150-20	57,150-20
Feed	9,183-20	2,143-00	11,326-20		1,106-40	996-20	2,103-00
Rej. 1 Nor	19,271-30	9,103-50	28,375-20				
Rej. 2 Nor. old	10,355-10		10,355-10				
Rej. 2 Nor. new	1,029-30		1,029-30				
Rej. 3 Nor	2,495-30		2,495-30				
Rej. No. 4	2,789-20	1,088-50	3,875-10				
Rej. No. 6		1,564-40	1,564-40				
N.G. Tgh. 1 Nor	10,907-40	988-40	11,896-20				
N.G. Tgh. 2 Nor	3,846-00		3,846-00				
N.G. Tgh. 3 Nor	17,743-00		17,743-00			4,788-40	4,788-40
N.G. Tgh. No. 4	11,007-30	1,969-10	12,976-40			1,100-00	1,100-00
N.G. Tgh. No. 5	11,588-30		11,588-30			5,290-40	5,290-40
N.G. Tgh. No. 6	9,969-10	2,629-40	12,598-50			9,785-40	9,785-40
N.G. Tgh. Feed	2,385-00	989-20	3,374-20			1,032-40	1,032-40
N.G. Tgh. Rej. No. 4	948-50		948-50				
Rej. 1 Nor. Mxd. Sand & Gravel	1,125-30		1,125-30				
Rej. No. 5 Mxd. Fireburnt	965-20		965-20				
Total	1,406,989-20	84,699-10	1,491,688-30	855,370-	30331,455-40	289,900-30	1,476,726-40
Oats—							
2 C.W	14,141-26		14,141-26		24,026-16	1,764-24	25,791-06
3 C.W	53,707-22		53,707-22		56,929-14		56,929-14
Ex. 1 Feed	18,898-08	4,064-14	22,962-22		43,579-14	1,941-06	45,520-20
1 Feed	37,612-02	33,048-08	70,660-10		70,479-14		70,479-14
2 Feed	125,494-04	14,795-10	140,289-14		91,288-28		91,288-28
Rej	16,020-30	2,800-10	18,821-06				
N.G. Tgh. 2 C.W	6,897-02	2,109-24	9,006-26				

N.G. Tgh. 3 C.W.	6,391-26	1,994-14	8,386-06			2,000-00	2,000-00
N.G. Tgh. Ex. 1 Feed	17,264-04	15,178-08	32,442-12				
N.G. Tgh. 1 Feed	12,845-10	42,267-22	55,112-32				
N.G. Tgh. 2 Feed	19,015-30	18,975-30	37,991-26				
N.G. Tgh. Rej.				33,467-22			33,467-22
N.G. Tgh. Rej. Mxd. Htd.		1,999-24	1,999-24		2,117-22		2,117-22
N.G. Tgh. Ex. 1 Fd. Htg.	1,660-30		1,660-30				
N.G. Tgh. 2 Feed Htg.	1,728-08	1,968-18	3,696-26				
N.G. Tgh. Cond.		1,646-26	1,646-26				
Rej. Mxd. Htd.	1,787-22	3,614-24	5,402-12	25,322-02			25,322-02
Cond.		1,928-08	1,928-08				
Sample		15,647-12	15,647-12				
Total	333,465-20	162,039-14	495,505-00	58,789 24	288,421-06	5,705-30	352,916-26
Barley—							
3 C.W. (add New)	123,850-31 1,322-38		123,850-31 1,322-38	86,801-12	79,281-12	5,536-32	171,619-08
4 C.W.	97,345-45		97,345-45	62,459-28	71,421-28	2,940-30	136,821-38
Feed	28,297-04		28,297-04		9,970-10		9,970-10
Rej.	29,648-26		29,648-26		18,666-32	2,740-40	21,407-24
Rej. (New)	977-24	1,468-36	2,446-12				
N.G. Tgh. 3 C.W.	32,666-32	9,221-42	41,888-26				
N.G. Tgh. 4 C.W.	19,635-10		19,635-10				
N.G. Tgh. Feed	1,363-36	7,863-46	9,227-34				
N.G. Tgh. Feed	11,443-26	5,621-12	17,064-38		3,247-44		3,247-44
N.G. Tgh. Rej. Mxd. Htd.		16,028-06	16,028-06		11,345-40		11,345-40
Total	346,551-32	40,203-46	386,775-30	149,260-40	193,933-22	11,218-06	354,412-20
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed grain	722,000	791,840	1,513,840	393,526	1,109,080		1,502,600
Screenings	26,000	122,970	148,970		1,027,270		1,027,270
Scalpings	2,268,910	223,570	2,492,480	584,910			584,910
Standard Stock Food		998,030	998,030				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades at the Merchants Private Terminal elevator during the Crop Year (Sept. 1st, 1918 to August 31st, 1919

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
1 Nor	18,655-00		18,655-00		8,000-00	10,552-00	18,552-00
2 Nor	14,366-00		14,366-00		4,866-40	13,996-30	18,863-10
3 Nor	23,857-00	1,461-20	25,318-20		11,600-00	8,717-30	20,317-30
No. 4	56,453-10		56,453-10		10,390-00	62,168-30	72,558-30
No. 5	33,131-00	1,383-50	34,514-50		2,666-40	50,635-30	53,302-10
No. 6	27,132-00		27,132-00			33,982-20	33,982-20
Feed	4,962-30	59,885-50	64,848-20			32,892-30	32,892-30
Rej. 1 Nor						1,005-40	1,005-40
Rej. 2 Nor	910-50		910-50				
Rej. 3 Nor	1,033-20		1,033-20				
Rej. No. 4	844-50		844-50				
Rej. No. 5						1,312-50	1,312-50
N.G. Tgh. No. 4	9,870-00	7,104-40	16,974-40			11,164-40	11,164-40
N.G. Tgh. No.5	13,733-10	1,197-10	14,920-20			8,519-50	8,519-50
N. G. Tgh. No.6	11,807-30	2,535-30	14,343-00			5,473-20	5,473-20
N.G. Tgh. Feed	2,776-10	27,894-00	30,670-10			39,620-20	39,620-20
Smutty 3 Nor	590-10		590-10			1,970-20	1,970-20
N.G. Tgh. Rej. No. 5		845-40	845-40				
N.G. Tgh. Smutty No. 4	791-20		791-20				
N.G. Tgh. Rej. 3 Nor. Mxd. Htd		2,035-00	2,035-00				
N.G. Tgh. Rej. No. 6 Mxd. Htd		870-30	870-30		1,067-00		1,067-00
N.G. Tgh. Rej. Feed Mxd. Htd					29,865-00		29,865-00
N.G. Tgh. Rej. No. 6 Mxd. Htd. and Htg		1,129-20	1,129-20		1,067-00		1,067-00
N.G. Tgh. No. 6 Htg		1,816-30	1,816-30				
N.G. Tgh. Feed Htg	1,170-10		1,170-10				
N.G. Tgh. No. 5 Mxd. Wreckage	1,569-00		1,569-00				
Rej. 2 Nor. Mxd Htd	479-30		479-30				
Rej. 3 Nor. Mxd. Htd		863-10	863-10				
Rej. No. 4 Mxd. Htd						2,121-00	2,121-00
Rej. Feed Mxd. Htd		987-00	987-00				
Rej. 1 Nor. Rej. Mxd. Htd		1,266-40	1,266-40				
Rej. 3 Nor. Mxd. Htd. Mxd. Gravel and Cinders		876-10	876-10				
Mxd. Htd. and Htg. Cond. Feed Rej	1,124-20		1,124-20				
Sample		4,858-40	4,858-40				
Total	225,257-00	117,011-00	342,268-00		69,522-20	284,132-50	353,655-10

Oats—							
2 C.W.		28,737-02	28,737-02		23,294-04		23,294-04
3 C.W.		24,775-00	24,775-00				
Ex. 1 Feed		16,377-32	16,377-32		9,705-30		9,705-30
1 Feed	4,299-24	34,375-00	38,674-24		7,764-24		7,764-24
2 Feed	5,573 28	41,783 18	47,357-12		13,588-08	1,941-06	15,529-14
Rej.		8,308-28	8,308-28				
N.G.Tgh. 2 C.W.		7,474 32	7,474 32			1,363-08	1,363-08
N.G. Tgh. Ex. 1 Feed		4,054-24	4,054 24				
N.G. Tgh. 1 Feed		4,716-16	4,716-16				
N.G. Tgh. Rej.	2,005-10		2,005-10				
N.G. Tgh. 3 C.W. Htd. Mxd		1,782-12	1,782-12				
N.G. Tgh. Ex. 1 Fd. Htg.		1,793-20	1,793-20				
N.G. Tgh. 1 Feed Htg.		1,672-22	1,672-22				
N.G. Tgh. 2 Fd. Rej. Mxd. Gravel Rjd. Mxd. Htd.	1,825-10	1,881-16 5,684 24	1,881-16 7,510 00		12,529-14		12,529-14
Cond.		1,937-02	1,937-02				
Sample		23,831-06	23,831-06				
Total	13,704-04	209,186-16	222,890-20		66,882-12	3,304-14	70,186-26
Barley—							
3 C.W.						1,680-40	1,680-40
4 C.W.	724 18		724-18			7,101-10	7,101
Feed	1,151 12	1,497-04	2,648-16			−1,829-08	−1,829-08
Rej.	1,362 34	1,315-00	2,677-34			6,240-10	6,240-10
N.G. Tgh. 4 C.W.	704-18		704-18				
N.G. Tgh. 3 C.W. Htg.	1,726-12		1,726-12				
N.G. Tgh. Rej. Htd. and Htg.	488-26		488-26				
Sample		1,468-46	1,468-46				
Total	6,157-24	4,281-02	10,438-26			13,193-04	13,193-04
Flax—							
3 C.W.	42-32		42-32				
	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.
Mixed Grain	109,680	1,530,030	1,639,710		268,500	165,340	433,840
Screenings	51,630		51,630		82,600		82,600
Scalpings	548,720	558,120	1,106,840				
Standard Stock Food	19,660	278,300	297,960			11,450	11,450
Elevator By-products		134,070	134,070				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments—by Grades—at Muirheads's Private Terminal Elevator during the crop year Sept. 1st, 1918 to August 31st, 1919

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
1 Nor	99,623-50		99,623-50		98,433-20	7,367-10	105,800-30
2 Nor	23,554 30		23,554 30		20,433 20	1,629-40	22,063-00
3 Nor	55,981-40		55,981-40		19,900 00	21,992-30	41,892 30
No. 4	62,394 20		62,394 20		31,966 40	54,566 10	86,532-50
No. 5	35,143 20		35,143 20		11,600-00	41,792 20	53,392 20
No. 6	34,463-40		34,463-40			86,404-00	86,404 00
Feed	7,421 20	8,581-30	16,002 50		6,433-20	3,656 00	10,089-20
Rej. 3 Nor						5,196-20	5,196-20
Rej. No. 4						3,236-00	3,236-00
Smutty No. 4	695-10		695-10			987-50	987-50
Smutty No. 6	944-00		944-00				
Smutty Feed	877-50		877 50				
N.G. Tgh. 3 Nor	1,403-00		1,403 00				
N.G. Tgh. No. 4	1,073 40	5,121 00	6,194 40				
N.G. Tgh. No. 5	11,608-00	11,101-40	22,709-40				
N.G. Tgh. No. 6	17,217-50	15,337-40	32,555-30				
N.G. Tgh. Feed	5,893 10	9,959-50	15,853-00				
N.G. Tgh. Smutty No. 4	1,050 30	558-30	1,609 00			560-20	560-20
N.G. Tgh. Rej. 3 Nor. Mxd. Htd	1,522-50		1,522-50			2,036-20	2,036-20
N.G. Tgh. Rej. Fd. Mxd. Htd	1,010 20		1,010 20		1,011-10		1,011-10
Rej. 3 Nor. Mxd. Htd	1,398-10		1,398-10				
Rej. 3 Nor. Rej. Mxd. Htd		449-10	449-10				
Rej. 3 Nor. Mxd. Gravel	666-50		666-50				
Total	363,944-00	51,109-20	415,053 20		189,777-50	229,424-40	419,202-30
Oats—							
2 C.W	1,739-04		1,739-04		3,792-02	1,740 00	5,532 02
3 C.W	3,460-20		3,460-20		3,769-04		3,769-04
1 Feed	2,952 04		2,952 04				
2 Feed	2,633-18	1,941-06	4,574-24		1,673-08	2,735-10	4,408-18
N.G. Tgh. 3 C.W	2,253 28	1,987-02	4,240-30		2,332,32		2,352-32
N.G. Tgh. 2 Feed	348-18		348-18			364 14	364-14
N.G. Tgh. Cond. Htg		26,182-22	26,182-22				
Rej. Mxd. Htd		1,970-00	1,970-00		3,882-12		3,882-12
Cond					13,882-12	1,941-06	15,823-18
Sample		5,891-16	5,891-16				
Rej					1,828-18		1,828-18
Total	13,387-24	37,972-12	51,360-02		31,180-20	6,780-50	37,961-16

Barley—							
3 C.W.	9,613–17		9,613–17			62,902–04	62,902–04
4 C.W.	7,154–38	2,584–28	9,739–18		3,068–16	24,859–08	27,927–24
Feed	1,067–44		1,067–44			514–28	514–28
Rej.	6,788–46	2,745–20	9,534–18		7,768–36	5,468–16	13,237–04
N.G. Tgh. 3 C.W.	6,844–18	37,947–44	44,792–14		1,205–42		1,205–42
N.G. Tgh. 4 C.W.	8,642–04	9,334–38	17,976–42				
N.G. Tgh. Fd.	3,012–04	1,552–44	4,565–00				
Sample		3,019–38	3,019–38				
Total	43,123–27	57,185–20	100,308–47		12,042–46	93,744–08	105,787–06
Rye—							
Rej.	1,297–18		1,297–18		1,375–00	118–42	1,493–42
Mixed Grain	Lbs. 276,920	Lbs. 437,890	Lbs. 714,810	Lbs.	Lbs. 9,020	Lbs. 372,220	Lbs. 381,240
Screenings					Lbs. 273,370		Lbs. 273,370
Scalpings	Lbs. 232,480		Lbs. 232,480			Lbs. 140,040	Lbs. 140,040
Standard Stock Food					Lbs. 61,580		Lbs. 61,580
Elevator By-Products						Lbs. 82,210	Lbs. 82,210

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Mutual Private Terminal Elevator during the Crop Year (from September 1, 1918 to August 31, 1919)

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
1 Hard	36,126-50		36,126-50				
1 Nor. old	1,448,196 00	6,265-00	1,454,461 00	1,368,859-10	212,966-40	28,798-20	1,610,624-10
1 Nor. new	21,184-10		21,194-10	4,766-50			4,766-50
2 Nor. old	410,190 20	1,629-50	411,820-10	346,760 30	63,933-20	3,300-00	413,993-50
2 Nor. new	27,720-40		27,720-40	11,782-00			11,782-00
3 Nor. old	591,738-10	4,739-30	596,477-40	606,320-20	65,000-00	20,947-30	692,267-50
3 Nor. new	7,110-40		7,110-40				
No. 4 old	758,406-10	6,089-40	764,495 50	821,229-50	22,233-20	107,482-10	950,945-20
No. 4 new	1,046 10		1,046-10				
No. 5 old	352,011-10		352,011-10	293,576-10	39,800-00	96,417-10	429,793-20
No. 5 new	935-30		935-30				
No. 6 old	322,397-00		322,397-00	210,905-40	1,100-00	339,763-00	551,768-40
No. 6 new	1,266-30		1,266-30				
Feed	79,353-10	40,256-00	119,609-10		3,447-40	9,322-20	12,770-00
Rej. 1 Nor. old	11,986-20		11,986-20			1,100-00	1,100-00
Rej. 1 Nor. new	1,089-50		1,089-50				
Rej. 2 Nor. old	5,261-10		5,261-10			4,145-50	4,145-50
Rej. 3 Nor. old	9,674-30		9,674-30				
Rej. 3 Nor. new	2,354-50		2,354-50				
Rej. No. 4 old	4,441-50	6,128-00	10,569-50			1,333-20	1,333-20
Rej. No. 5 old	3,534-30		3,534-30				
Smutty 1 Nor	3,380-50		3,380 50			1,403-20	1,403-20
Smutty 3 Nor	4,650-10		4,650-10		2,466-40	2,466-40	2,466-40
Smutty No. 4	2,746-50		2,746-50			2,304-10	2,304-10
Smutty No. 5	3,072-30		3,072-30				
Smutty No. 6	2,209-20		2,209-20				
Smutty Rej. 3 Nor	1,115-30		1,115-30				
N.G. Tgh. 1 Nor	33,118-30	17,177-50	50,296 20				
N.G. Tgh. 2 Nor	36,685-10	23,862 20	60,547-30				
N.G. Tgh. 3 Nor	35,644-20	19,363 00	55,007-20				
N.G. Tgh. No. 4	47,380-10	35,864-00	83,244-10				
N.G. Tgh. No. 5	82,654-00	35,440-00	118,094-00				
N.G. Tgh. No. 6	105,078-30	29,666-30	134,745-00	33,741-30		1,000-00	34,741-30
N.G. Tgh. Feed	41,635-20	13,795-40	55,431-00		1,100-00		1,100-00
N.G. Tgh. Smutty 2 Nor	1,081-50		1,081-50				
N.G. Tgh. Smutty 3 Nor	524-30		524-30				
N.G. Tgh. Smutty No. 4	539-20		539-20				
N.G. Tgh. Smutty No. 5	563 20		563-20				
N.G. Tgh. Rej. 6 Mxd. Htd	375-50		375-50			376-10	376-10
N.G. Tgh. Rej. Feed Mxd. Htd	1,098-00		1,098-00		2,500-00		2,500-00
N.G. Tgh. Cond. No. 2 Mxd. Htd	940-00		940-00			262-50	262-50

N.G. Tgh. Feed Htg	913-10		913-10				
N.G. Tgh. Smutty Feed Htg	438-00		438-00				
Rej. 2 Nor. Mxd. Htd	1,283-30		1,283-30				
Rej. No. 6 Mxd. Htd	998-30		998-30				
Rej. 1 Nor. Mixed Sand and Gravel	245-10		245-10				
Rej. 1 Nor. Mixed Fireburnt	1,531-20		1,531-20				
Sample		7,741-00	7,741-00				
Total	4,505,939-10	248,018-20	4,753,957-30	3,697,942 00	412,081-00	620,422-50	4,730,445-50
Oats—							
2 C.W	49,466-14		49,466-14	19,692-22	35,647-02	16,052-32	71,392-22
3 C.W	96,631-26		96,631-26	69,581-06	48,797-02		118,378-08
Ex. 1 Feed	37,930-10		37,930-10	4,247-32	53,529-14		59,777-12
1 Feed	145,492-32		145,492-32	104,821-06	77,705-30	5,647-02	189,174-04
2 Feed	228,539-16		228,539-16	133,474-04	25,470-20	177,702-32	336,647-22
Rej'd/	52,916-32	5,616-16	58,583-14		25,233-10		25,235-10
N.G. Tgh. 2 C.W	14,453-28		14,453-28		2,223-18		2,223-18
N.G. Tgh. 3 C.W	26,562-12		26,562-12				
N.G. Tgh. Ex. 1 Feed	3,087-22		3,087-22				
N.G. Tgh. 1 Feed	30,654-14		30,654-14				
N.G. Tgh. 2 Feed	34,301-26		34,301-26				
N.G. Tgh. Rej'd	9,988-18		9,988-18				
N.G. Tgh. Rej'd. Mxd. Htd	3,455-20		3,455-20			1,632-12	1,632-12
N.G. Tgh. Rej'd. Mxd. Htd. and Htg	7,495-00		7,495-00				
N.G. Tgh. 2 Feed Htg	3,609-14		3,609-14				
N.G. Tgh. Rej. Htd. and Hot	1,676-26		1,676-26				
N.G. Tgh. Rej. Htg	2,090-20		2,090-20				
Rej. Mxd. Htd	3,545-00		3,545-00			1,923-08	1,923-08
Sample					9,705-30		9,705-30
Total	751,898-24	5,616-16	757,515-06	331,817-02	280,314-24	202,958-18	815,090-10
Barley—							
3 C.W	47,190-10		47,190-10		18,315-30	40,328-46	58,644-28
4 C.W	15,811-16		15,811-16		23,347-24	4,987-04	28,334-28
Feed	1,590-10		1,590-10			1,465-30	1,465-30
Rej'd	15,836-12		15,836-12		7,492-14	1,335-20	8,827-34
N.G. Tgh. 3 C.W	9,010-46	2,011-02	11,022-00				
N.G. Tgh. 4 C.W	3,150-10		3,150-10				
N.G. Tgh. Rejected	3,089-28		3,089-28				
Total	95,678-36	2,011-02	97,689-38		49,155-20	48,117-04	97,272-24
Flax—							
Rej. Mixed Heated	51-34		51-34				

BOARD OF TRADE COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Mutual Private Terminal Elevator during the Crop Year (from September 1, 1918 to August 31, 1919—*Con.*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain	548,040	54,030	602,070	.....	.....	85,900	85,900
Screenings	51,730	.....	51,730	237,270	2,117,730	353,630	2,708,680
Scalpings	466,970	602,490	1,069,460	.....	.....	.....	.....
Standard Stock Food	.....	.....	.....	.....	1,168,000	282,140	1,450,140

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments—by Grades—at the National Private Terminal Elevator during the Crop Year from (September 1, 1918 to August 31, 1919)

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
1 Nor	1,424-50		1,424-50		1,100-00	8,888-40	9,988-40
2 Nor	15,213 30		15,213 30		3,133 20	10,355 50	13,489-10
3 Nor	140,816 30	6,930 30	147,747 00		71,855 00	152,034-10	323,889-10
No. 4	170,845 20	2,199 40	173,045 00		56,797-40	141,891-50	198,689-30
No. 5	279,698 40	1,984 10	281,682 50		80,616-40	170,381-50	250,998-30
No. 6	289,316 00	2,696 10	292,012-10			628,892 20	628,892-20
Feed	106,239-40	4,247-40	110,487-20		7,256-30	7,256-30	7,256-30
Rej. 1 Nor	1,207-00		1,207 00				
Rej. 2 Nor	3,625 30		3,625 30		1,640-40	1,640-40	1,640-40
Rej. 3 Nor	5,647-20		5,647 20				
Rej. No. 4	10,400-50		10,400 50				
Rej. No. 5	5,615-50		5,615 50				
Smutty 2 Nor	2,233-40		2,233-40				
Smutty 3 Nor	2,167-40		2,167-40				
Smutty No. 4	6,207-40		6,207-40				
Smutty No. 3	2,342-40		2,342 40				
Smutty No. 6	1,005 20		1,005 20			968-20	968-20
Smutty Feed	2,392-50		2,392 50				
N.G. Tgh. 2 Nor	3,514-20		3,514-20				
N.G. Tgh. No. 4	28,618-50	1,020-30	29,639 20				
N.G. Tgh. 3 Nor	12,384-40		12,384 40				
N.G. Tgh. No. 5	38,942-00	6,360-10	45,302 10				
N.G. Tgh. No. 6	77,330-50	2,179-30	79,510 20			1,100-00	1,100 00
N.G. Tgh. Feed	46,002-30	8,527-10	54,529-40				
N.G. Tgh. Rej. 2 Nor	959 50		959 50				
NG. Tgh. Rej. 3 Nor	503 00		503 00				
N.G. Tgh. Smutty No. 4	1,764-00		1,764-00				
N.G. Tgh. Smutty No. 5	4,510-40	1,042-20	5,553 00			131-30	131-30
N.G. Tgh. Smutty No. 6	5,464 00		5,464-00				
N.G. Tgh. Smutty Feed		1,983-20	1,983-20				
N.G. Tgh. Rej. 2 Nor. Mxd. Htd	1,383-30		1,383-30				
N.G. Tgh. Rej. 3 Nor. Mxd. Htd	465 50		465-50				
N.G. Tgh. Rej. Feed Mxd. Htd	897-10	1,075-20	1,972 30				
N.G. Tgh. Rej. 2 Nor. Mxd. Coal and Ice	42-10		42 10				
N.G. Tgh. Rej. 2 Nor. Mxd. Sand and Gravel		1,122 30	1,122 30				
N.G. Tgh. Rej. 3 Nor. Mxd. Htd. Rej. Mxd. Gravel	1,255-40		1,255-40				
N.G. Tgh. Rej. No. 4 Mxd. Htg	1,255-00		1,255-00				
N.G. Tgh. Rej. No. 4 Mixed Gravel		1,104-20	1,104-20				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments—By Grades—At the National Private Terminal Elevator during the Crop Year (from Sept. 1st 1918 to August 31st, 1919—*Con.*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	To al Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—Cou							
N.G. Tgh. Rej. No. 5 Mxd. Sand and Gravel	.....	892-50	892-50	.....	.....	.....	.....
N.G. Tgh. No. 6 Htg	732-00	.....	732-00	.....	.....	.....	.....
N.G. Tgh. No. 6 Mxd. Sand and Gravel	.....	748-20	748-20	.....	.....	.....	.....
N.G. Tgh. Feed Rej. Mxd. Fireburnt Rej. Mxd. Gravel and Stones	946-20	.....	946-20	.....	.....	.....	.....
N.G. Tgh. Cond. No. 2 Htd	787-00	.....	787-00	.....	.....	.....	.....
N.G. Tgh. Cond. No. 2 Mxd. Fireburnt and Gravel	1,142-00	.....	1,142-00	.....	.....	.....	.....
N.G. Tgh. No. 5 Htg	.....	1,115-50	1,115-50	.....	.....	.....	.....
Rej. 2 Nor. Mxd. Htd	.....	.....	.....	.....	.....	1,168-40	1,168-40
Rej. 3 Nor. Mxd. Htd	.....	.....	.....	.....	.....	2,783-20	2,783-20
Rej. Feed Mxd. Htd	.....	.....	.....	.....	2,578-10	.....	2,578-10
Rej. 2 Nor. Mxd. Coal	1,076-40	.....	1,076-40	.....	.....	.....	.....
Rej. 2 Nor. Mxd. Sand and Gravel	.....	959-00	959-00	.....	.....	.....	.....
Rej. 3 Nor. Mxd. Gravel and Cinders	1,031-20	.....	1,031-20	.....	.....	.....	.....
Rej. 3 Nor. Mxd. Manure and Gravel	4-00	.....	4-00	.....	.....	.....	.....
Rej. No. 6 Mxd. Coal	.....	1,199-10	1,199-10	.....	.....	1,200-00	1,200-00
Cond. No. 2	.....	.....	.....	.....	3,100-00	.....	3,100-00
Salvage	.....	856-00	856-00	.....	.....	.....	.....
Sample	.....	4,349-40	4,349-40	.....	.....	.....	.....
No. 2 Goose	.....	1,683-10	1,683-10	.....	.....	.....	.....
No. 3 Goose	457-20	.....	457-20	.....	.....	.....	.....
N.G. Tgh. Cond. No. 2	1,444-00	.....	1,444-00	.....	.....	.....	.....
Rej. 3 Nor. Mxd. Gravel	964 20	.....	964-20	.....	.....	.....	.....
Rej. No. 4 Mxd. Gravel	1,148-30	.....	1,148-30	.....	.....	.....	.....
Total	1,281,428-20	34,277-20	1,335,705-40	.....	219,180-50	1,128,693-40	1,347,874-30
Oats—							
2 C.W	12,816-06	.....	12,816-06	.....	3,644-14	7,613-08	11,257-22
3 C.W	18,056-16	.....	18,056-16	.....	3,600-00	11,456-06	15,056-06
Ex. 1 Feed	30,854-14	3,763-18	34,617-32	.....	28,600-30	.....	28,600-30
1 Feed	133,006-32	11,873-18	144,880-16	.....	39,032-32	22,997-32	62,030-30
2 Feed	171,678-18	8,810-10	180,488-28	.....	38,288-08	122,912-02	161,200-10
Rej'd	15,332-12	.....	15,332-12	.....	.....	7,579-24	7,579-24
N.G. Tgh. 2 C.W	22,938-28	13,055-30	35,994-24	.....	.....	13,857-12	13,857-12
N.G. Tgh. 3 C.W	10,096-26	1,901-26	11,998-18	.....	.....	.....	.....
N.G. Tgh. Ex. 1 Feed	42,874-16	9,376-26	52,251-08	.....	.....	.....	.....
N.G. Tgh. 1 Feed	59,445-10	5,425-00	64,870-10	.....	.....	.....	.....
N.G. Tgh. 2 Feed	47,338-15	2,293-08	49,631-26	.....	.....	.....	.....

N.G. Tgh. Rej	2,031-06		2,031-06				
N.G. Tgh. 2 C.W. Htg	3,497-32		3,497-32				
N.G. Tgh. 3 C.W. Htg	1,981-06		1,981-06				
N.G. Tgh. 1 Feed Htg	4,052-12		4,052-12				
N.G. Tgh. 2 Feed Htg	8,259-14		8,259-14				
N.G. Tgh. 1 Feed Rej. Mxd. Htd. and Htg	45-10		45-10				
N.G. Tgh. Rej. Mxd. Htd	8,091-06	1,074-04	9,165-10				
N.G. Tgh. Rej. Mxd. Htd. and Htg	8,236-06		8,236-06				
N.G. Tgh. Rej. Mxd. Htd. and Htg. and Musty	2,069-04		2,069-04				
N.G. Tgh. Cond. Htd. and Htg	4,232-12		4,232-12				
N.G. Tgh. Cond. Mxd. Htd	1,831-26		1,831-26				
N.G. Tgh. Cond. Htg	1,865-10		1,865 10				
Rej. Mxd. Htd	5,283-28	10,086-26	15,370-20			24,060-30	24,060-30
Cond		2,817-22	2,817-22				
Sample		1,983-18	1,983-18		1,764-24		1,764-24
Salvage		161-16	161-16				
Total	615,915-28	72,623-18	688,539-12		114,931-06	210,477-12	325,408-18
Barley—							
3 C.W	164,639-17		164-639-17			252,240-20	2g2,240-20
Dr. 3 C.W		703-06	703-06				
4 C.W	176,057-36	56,729-38	232,787-26		6,500-00	658,772-24	665,272-24
Feed	75,640-10	28,955-10	104,595-20			1,380-30	1,380-30
Rej'd	71,825-00	45,902-24	117,727-24			58,858-36	58,858-36
N.G. Tgh. 3 C.W	71,544-47	62,875-10	134,420-09				
N.G. Tgh. 4 C.W	65,904-04	79,632-04	145,536-08			1,291-32	1,291-32
N.G. Tgh. Feed	7,895-00	15,631-12	23,526-12				
N.G. Tgh. Rej	18,297-34	24,705-10	43,002-44				
N.G. Tgh. 3 C.W. Htg	563-16		563-16				
N.G. Tgh. 4 C.W. Htg	2,488-36		2,488-36				
N.G. Tgh. Feed Htg	1,022-04		1,022-04				
N.G. Tgh. Rej. Htg	1,266-32		1,266-32				
N.H. Tgh. Rej. Mxd. Htd	1,358-06		1,358 06				
N.G. Tgh. Cond. Rotten Mxd. Gravel	835-20		835-20				
Sample		1,374-28	1,374-28				
Salvage		70-20	70-20				
Rej. Mxd. Htd	1,298-16		1,298-16				
Total	660,636-38	316,579-18	977,216-08		6,500-00	972,543-46	979,043-46
Flax—							
1 N.W.C	79-17		79-17			79-17	
2 C.W	265-30		265-30			1,690-31	
Rej'd	32-03		32-03				
N.G. Tgh. Cond. Htd. and Htg	62-08		62-08			62-08	
Rej. 2 C.W. Mxd. Htd. and Htg	79-02		79 02			79-01	
Sample		1,299-08	1,299-08				
Total	518-04	1,299-08	1,817-12			1,911-01	1,911-01

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments—by Grades—at the National Private Terminal Elevator during the Crop Year from (September 1, 1918 to August 31, 1919)—*Concluded*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Rye—							
2 C.W.	3,218-00		3,218-00				
Rej'd	1,651-29		1,651-29				
N.G. Tgh. 2 C.W.	709-11		709-11				
Rej. Mxd. Oats and Ergot		1,030-30	1,030-30				
Total	5,578-40	1,030-30	6,609-14				
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain	2,529,050	1,068,630	3,597,680		184,150	185,340	369,490
Screenings	29,950		29,950		73,610	901,900	975,510
Scalpings	317,790	1,396,080	1,713,870				
Standard Stock Food					20,700	241,520	262,220
Elevator By-Products	186,040	1,212,420	1,398,460			99,230	99,230

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments—By Grades—At the Northwestern Private Terminal Elevator during the Crop Year (September 16th to December 20th, 1918, inclusive.)

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
1 Nor. Hard	33,151 10		33,151 10				
1 Nor	1,174,803-10		1,174,803 10	1,276,057-20	71,166 40		1,347,224 00
2 Nor	329,542 10		329,542 10	190,587 00	4,116 40		194,703 40
3 Nor	537,231 30		537,231 30	473,113 10	45,566 40	11,733-20	530,413-10
No. 4	296,643 00		296,643 00	295,674 40		40,233 20	335,908-00
No. 5	151,229-10		151,229 10	100,845 10	1,844-40		102,689-50
No. 6	96,839 30		96,839 30	87,718 50	10,966 40	71,266 40	169,952-10
Feed	32,617-10		32,617-10		4,629-20	530-00	5,159-20
Rej. 1 Nor	14,516-10		14,516-10		17,210-00		17,210-00
Rej. 2 Nor	15,481-30		15,481-30		14,278-00		14,278-00
Rej. 3 Nor	6,978-10		6,978-10		3,653-00		3,653-00
Rej. No. 4	1,220-10		1,220-10				
Rej. No. 5	2,330-20		2,330-20				
Rej. No. 6	1,092-30		1,092-30				
Rej. 1 Nor. Mxd. Gravel		450-30	450-30				
Rej. 3 Nor. Mxd. Earth & Gravel	682 50		682 50				
Smutty 3 Nor	1,084-00		1,084-00				
N.G. Tgh. 1 Nor	8,947-30		8,947-30				
N.G. Tgh. 2 Nor	7,703-50	6,287-40	13,991-30				
N.G. Tgh. 3 Nor	14,218-20	3,920-50	18,139-10				
N.G. Tgh. No. 4	17,923-50	4,071-30	21,995-20				
N.G. Tgh. No. 5	16,487-50	13,095-00	29,582-50				
N.G. Tgh. No. 6	10,899-00	5,499-30	16,398-30				
N.G. Tgh. Feed	8,764 10		8,764 10				
N.G. Tgh. Rej. Fd. Mxd. Htd					30-10		30-10
N.G. Tgh. Fd. Htd. & Htg	442-20		442-20				
N.G. Tgh. Dp. Feed					442 20		442-20
Total	2,780,829 20	33,325 00	2,814,154 20	2,423,996 10	173,904 10	123,763 20	2,721,663 40
Oats—							
3 C.W.	3,840 10		3,840 10		3,809 24		3,809 24
1 Feed	67-22		67-22			24-14	24-14
2 Feed	102-22		102 22			646 02	646 02
Total	4,010-20		4,010-20		3,809-24	670-16	4,480-06

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Northwestern Private Terminal Elevator during the Crop Year 1919-20. (September 1st, 1919 to August 31st, 1920)—*Con*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Barley—							
3 C.W.	1,528-16	.....	1,528-16	.....	1,528-16	.....	1,528-16
N.G. Tgh. 3 C.W.	1,933-36	.....	1,933-36	.....	1,933-33	.....	1,933-33
Total	3,462-04	.....	3,462-04	.....	3,462-01	.....	3,462-01
Rye—							
N.G. Tgh. Rej.	486-34	.....	486-34	.....	.....	454-10	454-10
Total	486-34	.....	486-34	.....	.....	454-10	454-10
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain	.....	.....	.....	.....	.....	13,204	43,204
Screenings	.....	.....	.....	.....	1,234,000	.....	1,234,000
Standard Stock Food	.....	.....	.....	.....	.....	440,000	440,000
Elevator by-Product	54,070	.....	54,070	.....	79,390	224,750	304,140

NOTE—This Elevator only operated as a Private Terminal for a portion of the Crop year.

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments—by Grades—at Paterson's Private Terminal Elevator during the Crop Year from Sept. 1st, 1918 to August 31st 1919

Grade	Receipts from West	Transfer Receipts	Transfers ex Van Allen	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—								
1 Hard	18,228-10		10,422-40	28,650 50				
1 Nor	1,189,901-00			1,189,901-00	1,186,041-00	144,158-40	56,388-00	1,386,587-40
2 Nor. (old)	371,754-00			371,754-00	308,462 20	13,633 20	30,411-10	352,506-50
2 Nor. (new)	1,145-10			1,145-10				
3 Nor. (old)	387,942 10		67,419-20	455,361-30	489,836-50	6,266-40	67,083-30	563,187-00
3 Nor. (new)	4,935-30			4,935-30				
No. 4	440,465-10		75,336-00	515,801 10	407,646-00	6,266-40	181,590-30	595,503-10
No. 5	273,364 30		113,721-50	387,086 20	459,619 10	27,500-00	145,881-50	633,001-00
No. 6	223,412 10	2,387 20	46,131 20	271,930-50	287,541-10	1,566-40	462,005-20	751,113-10
Feed	53,240-40	99,868-00	68,622-40	221,731-20			1,152 50	1,152-50
Rej'd 1 Nor	48,403-20		1,087-30	49,490-50				
Rej'd 2 Nor	12,411-10			12,411-10			952-20	952-20
Rej'd 3 Nor	14,878 20			14,878-20				
Rej'd No. 4	8,307 00	31,582 20	20,340 00	60,229 20				
Rej'd No. 5	2,762-40	716-50	12,194 00	15,673 30				
Smutty 1 Nor			226-20	226-20			1,037-10	1,037-10
Smutty 2 Nor	3,257-00		1,758-20	5,015 20				
Smutty 3 Nor	8,566 30		2,054 30	10,621-00			1,508-20	1,508-20
Smutty No. 4	2,999 00	27,992 30	49,192 50	80,184 20	101,916-10	75,344-20	21,191-00	198,451-30
Smutty No. 5	6,353 00	18,289 30	23,989 30	48,632-00	131,340-10		5,076-30	136,416-40
Smutty No. 6	3,706-10	9,154-30	24,340 10	37,200-50		16,666-40		16,666-40
Smutty Feed	1,061 10		5,142 10	5,203 20			1,101-20	1,101-20
Smutty Rej'd 1 Nor	1,224 50		368-30	1,593-20				
Smutty Rej'd. 2 Nor	1,570 10	893 20	2,823-00	5,286 30				
Smutty Rej'd. 3 Nor	600 40	1,355 30	8,053 20	10,009 30				
Smutty Rej'd. No. 4	201-00	1,080-10	1,592-30	2,873-40				
Smutty Rej'd. No. 6	968-50			968-50				
Smutty Rej'd. 3 Nor. Mxd. Htd			5-10	5-10				
Smutty Rej'd. No. 6 Mxd. Htd			43-40	43-40				
N.G. Tgh. 1 Nor	14,016-00		15,988-10	30,004-10				
N.G. Tgh. 2 Nor	14,944-20		31,225-20	46,169-40				
N.G. Tgh. 3 Nor	26,681 30		16,049 30	42,731-00				
N.G. Tgh. No. 4	39,543 40	25,527-10	40,968 20	106,039-10				
N.G. Tgh. No. 5	60,574-00	88,394-00	32,905-10	181,873-10				
N.G. Tgh. No. 6	60,835-10	90,892-20	40,257-40	191,985-10			1,566-40	1,566-40
N.G. Tgh. Feed	14,609-20	13,312-20	33,054 50	60,986-30				
N.G. Tgh. Rej. 1 Nor	1,345-10			1,345-10				
N.G. Tgh. Rej. 2 Nor	927-40		3,043-30	3,971-10				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments- by Grades- at Paterson's Private Terminal Elevator during the Crop Year from Sept. 1st, 1918 to August 31st, 1919—*Con.*

Grade	Receipts from West	Transfer Receipts	Transfers ex Van Allen	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Bush.	Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—Con								
N.G. Tgh. Reg. 3 Nor	1,164 20		3,021-30	4,185-50				
N.G. Tgh. Rej. 4 Nor	1,737 30		3,119 50	4,857-20				
N.G. Tgh. Rej. No. 5	873 00			873-00				
N.G. Tgh. Smutty 2 Nor		1,065 00	1,807-00	2,872-00				
N.G. Tgh. Smutty 3 Nor	1,753-40	7,388-00	10,092-10	19,233-50				
N.G. Tgh. Smutty No. 4	4,251-10	6,846-00	19,093-10	30,190-20				
N.G. Tgh. Smutty No. 5	4,476-50	4,977-00	16,213-20	25,667-10				
N.G. Tgh. Smutty No. 6	4,910-40	8,050-40	18,064 20	31,025-40				
N.G. Tgh. Smutty Feed	1,401-30	2,317-00	6,720-30	10,439-00				
N.G. Tgh. Smutty Rej. 1 Nor			39-10	39-10				
N.G. Tgh. Smutty Rej. 2 Nor	1,232-30	1,444-50	1,028-10	3,705-30				
N.G. Tgh. Smutty Rej. No. 6	470-40		9-20	480-00				
N.G. Tgh. Rej. 1 Nor. Mxd. Htd			188-30	188-30				
N.G. Tgh. Rej. 2 Nor. Mxd. Htd			27-10	27-10				
N.G. Tgh. Rej. 3 Nor. Mxd. Htd			184-10	184-10				
N.G. Tgh. Rej. No. 4 Mxd. Htd	981-10	1,075-50	218-40	2,275-40				
N.G. Tgh. Rej. No. 5 Mxd. Htd		500 00		500-00				
N.G. Tgh. Rej. No. 6 Mxd. Htd	1,172-40	1,099-10	1,155-50	3,427-40				
N.G. Tgh. Cond. No. 2			1,890-50	1,890-50				
N.G. Tgh. Cond. No. 2 Htg	1,225-10			1,225 10				
N.G. Tgh. Smutty Cond. 2 Htg	547-20			547-20				
Rej. 1 Nor. Mxd. Htd	795 50		15-20	811 10				
Rej. 2 Nor. Mxd. Htd	970 20		282-10	1,252 30				
Rej. No. 4 Mxd Htd	898 30			898-30				
Rej. No. 5 Mxd Htd			56 40	56-40				
Rej. No. 5 Special Mxd. Htd			34 50	34-50				
Rej. No. 6 Mxd. Htd			223 30	223 30				
Rej. Feed Mxd. Htd			209 10	209-10				
Rej. 3 Nor. Mxd. Sprouted			360-00	360-00				
Cond. No. 2			6,294-10	6,294-10	7,184-50	1,566-40	1,096 40	9,848-10
No. Est. Grade	982-30			982-30				
Sample		8,308-40		8,308-40				
No. 2 Goose			84 30	84 30				
No. 3 Goose	1,064-00			1,064-00				
Total	3,346,045-30	454,518-00	838,801-50	4,639,365-20	3,379,587-40	292,969-40	978,043-10	4,650,600-30

Oats—								
2 C.W.	51,277-02		1,977-26	53,254-28	30,245-10	57,588-08	27,026-26	114,860-10
Dried 2 C.W.			9,243-33	9,243-33				
3 C.W.	108,023-28		1,213 08	109,237 02		47,113-28	18,635-20	65,749-14
Ex. 1 Feed	120,531-28		3,235 00	123,766 28		105,705-30	16,198-18	121,904-14
1 Feed	200,205 00		73,215-04	273,420-04	89,752-12	145,361-26	19,692-02	254,806-06
2 Feed	214,111 06	79,554-04	188,597-33	482,263 09	607,995-30	517,130-10	216,510-20	1,341,636-26
Rej'd	93,043-16	61,407-12	116,421-31	270,872-25		4,235-10	37,866-26	42,102-02
N.G. Tgh. 2 C.W.	15,903-18	29,331-26	30,926-18	76,161-28				
N.G. Tgh. 3 C.W.	11,110 30	16,388 08	27,388 20	54,884-24				
N.G. Tgh. Ex. 1 Feed	21,608 28		13,786 24	35,395 18				
N.G. Tgh. 1 Feed	35,763-21		46,654-24	82,418-11				
N.G. Tgh. 2 Feed	30,436 26	35,905-00	61,812-04	128,153-30				
N.G. Tgh. Rejected	9,350-00	19,219 04	16,729-24	44,298-28				
N.G. Tgh. 2 C.W. Htg.	1,871-16			1,871-16				
N.G. Tgh. 3 C.W. Htg.	3,721 26			3,721 26				
N.G. Tgh. Ex. 1 Fd. Htg.	1,754-14			1,754-14				
N.G. Tgh. 1 Fd. Htg.	3,822 02			3,822-02				
N.G. Tgh. 2 Fd. Htg.	3,546-26			3,546-26				
N.G. Tgh. Rej. Mxd. Htd.		5,971-06		5,971 06				
N.G. Tgh. Rej. Mxd. Htg.	492-02			492 02				
N.G. Tgh. Rej. Mxd. Htd. and Htg.	3,912-12		2,248-18	6,160-30				
N.G. Tgh. Rej. Hot Rej. Mxd. Htd.	1,805 20			1,805 20				
Rej. Mxd. Htd.	832 22		22,429 24	23,262 12		6,000 00		6,000 00
Cond.		1,443-08	2,213-00	3,656-08				
Cond. Mxd. Htd.			6,205-20	6,205 20				
Sample		25,681-26		25,681-26				
Sample Mxd. Htd.		1,531 16		1,531 16				
Total	933,125 03	275,433 08	624,297 05	1,832,855 16	727,993 18	883,135-10	335,930-10	1,947,059 04
Barley—								
Ex. 3 C.W.			1,139-28	1,139-28				
3 C.W. (old)	256,018-01		70,767-46	326,785-47	369,921-02	49,958-16	114,136-32	534,016-02
3 C.W. (new)	2,655 23			2,655 23				
Dried 2 C.W.			28,615-37	28,615 37				
4 C.W. (old)	122,415 22	1,411-22	62,377 36	186,204 32	440,961 32	2,750-00	207,328 28	651,040-12
4 C.W. (new)	1,115-15			1,115 15				
Feed (old)	50,834 38		38,209 00	89,043 38		8,483-18	73,388 36	81,872 06
Rej'd. (old)	55,032 04		64,193 39	129,225 43		9,304 06	48,710 40	58,014-46
Rej'd. (new)	1,066 42			1,066 42				
N.G. Tgh. 3 C.W.	43,530-05		126,033-33	169,563-38				
N.G. Tgh. 4 C.W.	34,317-39		58,891-00	93,208-39				
N.G. Tgh. Feed	3,591-42		11,499-22	15,091-16	71,035-40			71,035-40
N.G. Tgh. Rej'd.	8,704 08		12,346 32	21,050 40				
N.G. Tgh. 3 C.W. Htg.	784 25		526 12	1,310 37				
N.G. Tgh. 4 C.W. Htg.	4,127-24		1,330-00	5,457-24				
N.G. Tgh. Rej. Htg.	1,060 40			1,060 40				
N. G. Tgh. Feed Htg	1,132-14		532-24	1,664-38				
N.G. Tgh. Rej. Mxd. Htd.	1,246-12		3,188-46	4,435-10				

STATEMENT—Showing the Receipts and Shipments by Grades, at Paterson's Private Terminal Elevator during the Crop Year 1921-22 (Sept. 1st, 1921 to Aug. 31st, 1922,—*Concluded.*

Grades	Receipts from West	Transfer Receipts	Transfer Receipts by Vessels	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Barley—Con								
N.G. Tgh. Rej. Mxd. Htd. and Htg	4,833-16		1,135-20	5,968 36				
Rej. Mxd. Htd		1,456-42	4,692-28	6,149 22			1,458-16	1,458-16
Sample		1,350-30		1,350-30				
Total	592,466-34	4,218 46	485,480-19	1,082,166-03	881,918-26	70,495-40	445,023-08	1,397,437-26
Flax—								
1 N.W.C	91,518-06			91,518-06		69,427-43	39,506-24	108,934-11
2 C.W	17,300-09	13-44		17,313-53			5,462-48	5,462-48
3 C.W	4,532-41			4,532-41			2,400-43	2,400-43
Rej'd	876-07			876 07			251-42	251-42
N.G. Tgh. 1 N.W.C	80-00			80-00				
N.G. Tgh. 3 C.W	1,005-46			1,005 46				
N.G. Tgh. Rej. 2 c.w. Mxd. Htd	666 45	1,023-30		1,590-19			1,040-03	1,040-03
N.G. Tgh. Rej. Mxd. Htd	115 00			115-00				
Rej. Mxd. with brkn. Rye	18 10			18 10				
Rej. Mxd. with brkn. wheat	170-45			170-45				
Sample		1,370-06		1,370-06			1,048-29	1,048-29
Total	116,183 41	2,407-24		118,591-09		69,427-43	49,710-21	119,138-08
Rye—								
2 C.W	35,771-12			35,771-12		13,424-06	41,025 40	54,449-46
Rej'd	8,913-33			8,913-33			2,409 36	2,409-36
Feed	365 28			365 28				
N. G. Tgh. 2 C.W	10,263-27	886-54		11,150-25				
N.G. Tgh. Rej	2,987 51			2,987-51				
N.G. Tgh. Rej. 2 C.W. Mxd. Ergot	1,088-42			1,088-42				
N.G. Tgh. Rej. 2 C.W	557-52			557-52				
N.G. Tgh. 2 C.W. Htg	390-40			390-40				
Rej. Mxd. Htd							1,600-30	1,600-30
Rej. 2 C.W. Mxd. Ergot	2,755-06			2,755-06				
Total	63,094-11	886-54		64,981-09		13,424-06	45,035-50	58,460-00

BOARD OF GRAIN COMMISSIONERS OF CANADA

Paterson's Private Terminal Elevator

—	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net.bus. lbs.	Net bus. lbs.	Net bus. lbs.	Net bus.	Net bus.	Net bus.	Net bus.
Mixed grain	993,474	300,750 401,270	1,695,494 ex S.S. D. R. *Van Allen.*				
	lbs.		lbs.	lbs.	lbs.		lbs.
Screenings	424,610		424,610	1,186,080	3,222,500		4,408,580
	lbs.	lbs.	lbs.				
Scalpings	1,711,270	1,324,280	3,035,550				
					lbs.		lbs.
Standard Stock Food					62,780		62,780
					lbs.		lbs.
Elevator By-products					108,110		108,110
Corn			92,575-20 Ex. SS. *Parks Foster*			92,575-20	92,575-20

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at Roy's Private Terminal Elevator for the Crop Year 1918-1919

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
1 Nor	4,845-30		4,845-30		3,188-40	1,008-10	4,196-50
2 Nor	14,259-00		14,259-00		9,960-40	8,123-00	18,003-40
3 Nor	35,274-50		35,274-50		12,098-20	12,993-30	25,091-50
No. 4	26,789-20	976-10	27,785-30		21,264-10	46,808-40	68,072-50
No. 5	16,058-10		16,058-10		11,882-00	16,570-50	28,452-50
No. 6	32,545-50		32,545-50		1,102-30	31,307-40	32,410-10
Feed	7,667-30	1,121-30	8,789-00			2,552-30	2,552-30
Rej. 1 Nor	1,330-10		1,330-10			1,570-00	1,570-00
N.G. Tgh. 1 Nor	1,322-10		1,322-10				
N.G. Tgh. 2 Nor	1,043-40		1,043-40				
N.G. Tgh. 3 Nor	3,765-50		3,765-50				
N.G. Tgh. No. 4	2,380-00		2,380-00				
N.G. Tgh. No. 5	7,671-00		7,671-00		2,208-20		2,208-20
N.G. Tgh. No. 6	4,938-10		4,938-10				
N.G. Tgh. Feed	4,724-40		4,724-40			3,287-50	3,287-50
N.G. Tgh. Rej. 1 Nor	1,558-50		1,558-50				
N.G. Tgh. Rej. 3 Nor	743-10		743-10			777-10	777-10
Total	166,917-50	2,097-40	169,013-30		61,704-40	124,999-20	186,704-00
Oats—							
2 C.W	5,934-04		5,934-04		7,760-00		7,760-00
3 C.W	6,481-16		6,481-16		1,941-06		1,941-06
Ex. 1 Feed	7,569-04		7,569-04		9,732-32		9,732-32
1 Feed	15,761-26		15,761-26		25,985-30		25,985-30
2 Feed	6,615-20		6,615-20				
N.G. Tgh. 2 C.W	2,101-26		2,101-26		1,767-32		1,767-32
N.G. Tgh. 1 Feed	5,236-06		5,236-06				
Total	49,700-00		49,700-00		47,187-22		47,187-32
Barley—							
3 C.W		639-28	639-28				
N.G. Tgh. 3 C.W	999-18		999-18		1,839-08		1,839-08
N.G. Tgh. 4 C.W	1,141-32		1,141-32				
Total	2,141-02	639-28	2,781-30		1,839-08		1,839-08
						Lbs.	Lbs.
Screenings						63,960	63,960

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades—at the Superior Private Terminal Elevator during the Crop Year- September 1st., 1918 to January 20th., 1919

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
1 Nor	9,297 20		9,297 20		6,266-40	5,333 20	11,600-00
2 Nor	4,237 50		4,237-50			45,962 20	45,962 20
3 Nor	2,116 20		2,116 20		1,566-40		1,566 40
No. 4	143,565-40		143,565-40		133,116 00	58,616 40	191,732 40
No. 5	107,014-30		107,014 30		50,133-20	31,791-40	18,925 00
No. 6	17,689-00		17,689-00			28,450-00	28,450-00
Feed	4,345 50	2,700 00	7,045 50		1,100-00		1,100 00
Rej. 1 Nor		939-50	939-50		1,100-00		1,100-00
Rej. 3 Nor	665-00		665-00				
Rej. No. 4	1,929-20		1,929-20				
Rej. No. 6		895-40	895-40				
Smutty Rej. 3 Nor. Mxd. Htd					6,883-20		6,883-20
Smutty Rej. No. 4 Mxd. Htd					9,337-20		9,337-20
N.G. Tgh. 3 Nor	1,599-10	2,397-40	3,996 50				
N.G. Tgh. No. 4	10,009-50	17,918-30	27,928-20				
N.G. Tgh. No. 5	6,248-10	23,923-20	30,171-30				
N.G. Tgh. No. 6	3,143-10	10,436-40	13,579-50				
N.G. Tgh. Feed	2,448-10	4,006-20	6,454-30				
N.G. Tgh. Rej. 1 Nor		1,068-40	1,068-40				
N.G. Tgh. Rej. 2 Nor		995-20	995-20				
N.G. Tgh. Rej. No. 4		1,383 50	1,383 50				
Rej. 1 Nor. Mxd. Htd		2,098-40	2,098-40				
Rej. 2 Nor. Mxd. Htd		1,362-40	1,362-40				
Rej. 3 Nor. Mxd. Htd		-50	-50				
Smutty 3 Nor		2,378-00	2,378 00				
Sample		6,190-10	6,190 10				
Total	314,309 20	78,696 10	393,005-30		209,503 20	170,154-00	379,657 20
Oats—							
3 C.W	1,855-30	1,999-04	3,855-00				
1 Feed	1,940-00	11,416-16	13,356-16		9,705-30		9,705-30
2 Feed	16,730 00	27,450-10	44,180 10				
Rej	1,230-30	8,273-08	9,504-04				
Ex. 1 Feed					1,941-06		1,941 06
N.G. Tgh. 2 C.W	2,074-14	7,075-30	9,150-10				
N.G. Tgh. 3 C.W		2,147-32	2,147 32				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Superior Private Terminal Elevator during the Crop Year 1921-22 (September 1st, 1921, to August 31st, 1922, inclusive)—*Concluded*

Grades	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Oats—Con							
N.G. Tgh. ex 1 Feed	1,970-00	1,768-08	3,738-08				
N.G. Tgh. 1 Feed	2,663-28	5,182-22	7,846-16				
N.G. Tgh. 2 Feed	665-10	18,160-20	18,825-30				
N.G. Tgh. Rej		4,147-32	4,147-32				
Rej. Mxd. Htd	453-28		453-28				
Sample		5,295-20	5,295-20				
Total	29,584-04	92,917-32	122,502-02		11,647-02		11,647-02
Barley—							
3 C.W	4,413-36		4,413-36			4,500-00	4,500-00
4 C.W	3,035-40		3,035-40		18,875-00	21,078-36	39,953-36
Feed	3,379-18		3,379-18		2,750-00		2,750-00
Rej	4,478-36	7,443-06	11,921-42		3,500-00	2,916-32	6,416-32
N.G. Tgh. 3 C.W	6,025-18	8,729-38	14,755-08				
N.G. Tgh. 4 C.W	3,273-16	8,772-44	12,046-12				
N.G. Tgh. Feed	2,792-14	1,287-04	4,079-18				
N.G. Tgh. Rej	3,932-24	1,325-40	5,258-16				
Sample		1,375-00	1,375-00				
Total	31,331-10	28,933-36	60,264-46		25,125-00	28,495-20	53,620-20
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain	79,410	672,460	751,870		94,000	67,900	161,900
Screenings					209,900		209,900
Scalpings	73,720		73,720				

NOTE.—This Elevator was destroyed by fire January 2nd, 1919, but salvage grain was taken out and is included in the Shipments taking place up to January 20th

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades, at the United Grain Growers "H" Private Terminal Elevator during the Crop Year (September 1, 1918 to August 31, 1919)

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
A Nor. (old)	1,010,171-10		1,010,171-00	1,479,715-40	126,333-20	9,533-20	1,615,582-20
1 Nor. (new)	6,456-40		6,456-40				
2 Nor. (old)	666,232-10		666,232-10	308,896-10	30,833-20	12,495-00	352,224-30
2 Nor. (new)	27,640-40		27,640-40				
3 Nor. (old)	697,454-30		697,454-30	611,467-00	10,966-40	22,000-00	644,433-40
3 Nor. (new)	23,014-10		23,014-10				
No. 4 (old)	275,722-10		275,722-10	377,636-30	3,133-20		380,769-50
No. 4 (new)	1,024-10		1,024-10				
No. 5 (old)	95,154-30		95,154-30	68,612-40	60,800-50	43,649-30	173,063-00
No. 5 (new)	1,275-10		1,275-10				
No. 6	70,501-30		70,501-30			28,542-40	28,542-40
Feed	16,190-20		16,190-20			1,506-40	1,506-40
Rej. 1 Nor	19,200-10		19,200-10				
Rej. 2 Nor. (old)	8,464-10		8,464-10				
Rej. 2 Nor. (new)	1,036-40		1,036-40				
Rej. 3 Nor. (old)	5,844-50		5,844-50				
Rej. 3 Nor. (new)	835-20		835-20				
Rej. No. 4	2,096-40		2,096-40				
Rej. No. 5	1,090-50		1,090-50				
N.G. Tgh. 1 Nor	50,978-00		50,978-00				
N.G. Tgh. 2 Nor	62,813-00		62,813-00				
N.G. Tgh. 3 Nor	53,169-30		53,169-30				
N.G. Tgh. No. 4	41,941-00		41,941-00				
N.G. Tgh. No. 5	41,941-00		41,941-00				
N.G. Tgh. No. 6	29,120-00		29,120-00				
N.G. Tgh. Feed	3,518-00		3,518-00				
N.G. Tgh. Rej. 1 Nor	3,409-10		3,409-10				
N.G. Tgh. Rej. 2 Nor	2,904-10		2,904-10				
N.G. Tgh. Rej. 3 Nor	1,105-50		1,105-50				
N.G. Tgh. Cond. No. 2						1,888-50	1,888-50
No. 3 Goose	1,017-10		1,017-10				
Total Old	3,160,039-50						
Total New	61,282-50						
Total	3,221,322-40		3,221,322-40	2,846,328-00	232,067-30	119,616-00	3,198,011-30

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the United Grain Growers " H " Private Terminal Elevator during the Crop Year 1921-22 (September 1st, 1921, to August 31st, 1922,—*Concluded*

Grades	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Oats—							
2 C.W	1,799-14		1,799-14		3,753 08		3,753-08
3 C.W	6,489-24		6,489-24		4,400-00		4,400-00
Ex. 1 Feed	18,890 10	3,949-14	16,339-24		47,039-14		47,039-14
1 Feed	17,564-04		17,364-04		22,129-14		22,129-14
2 Feed	2,393-18		2,393-18				
Rej	3,767-12		3,767-12				
N.G. Tgh. 2 C.W	1,837-32		1,837-32				
N.G. Tgh. 3 C.W	3,087-02		3,087-02				
N.G. Tgh. Ex. 1 Feed	11,104-24		11,104-24				
N.G. Tgh. 1 Feed	17,295-10		17,295-10				
N.G. Tgh. 2 Feed	3,120 00		3,120 00				
N.G. Tgh. Rej	5,590-00		5,590-00				
Total	86,739-14	3,949-14	90,688-28		77,322-02		77,322-02
Barley—							
Ex. 3 C.W	1,208-16		1,208-16		1,208-16		1,208-16
3 C.W	117,334-18	10,194-28	127,528-46	190,000-00	18,066-32		208,066-32
4 C.W	80,669-09	3,018-16	83,687-24	138,648-36	2,750-60	12,958-16	154,357-04
Feed	17,627-04		17,627-04		1,375-00		1,375-00
Rej	26,222-44		26,222-44				
N.G. Tgh. 2 C.W	2,218 26		2,218-26				
N.G. Tgh. 3 C.W	50,066-20		50,065-20				
N.G. Tgh. 4 C.W	35,153-16		35,153-16				
N.G. Tgh. Feed	3,991-42		3,991-42				
N.G. Tgh. Rej	12,222-04		12,222-04				
Total	346,713-06	13,212-44	359,926 02	328,648-36	23,400-00	12,958-16	365,007-04
Rye—							
2 C.W	35-30		35 30				
N.G. Tgh. 2 C.W	939 16		939-16				
Total	974-46		974-46				

APPENDIX No. 3

	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain	135,470						
Screenings				2,851,270			2,851,270
Elevator by-products						2,139,800	2,139,800

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Western "G" Private Terminal Elevator during the Crop Year 1918-1919

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Hard	5,625-00		5,625 00		4,231-50		4,231-50
No. 1 Nor	6,204-30		6,204-30	15,617-20	7,833-20		23,450-40
No. 2 Nor	11,200-40	25,250-00	36,450-40		18,800-00	37,422-30	56,222-30
No. 3 Nor	398,559-30	28,356 10	426,915-40	102,637 10			102,637-10
No. 4	529,387-50	19,184-30	548,572-20	947,285-20	17,233-20	610,809-00	1,575,327-40
No. 5	236,766-10	2,273-20	239,039-30			2-00	2-00
No. 6	95,329-20	7,163-20	102,492-40	18,005 10	1,566-40	191,720-00	211,291-50
Feed	64,518-00	9,389-20	73,907-20		6,145 20		6,145-20
Rej. 1 Nor	10,256-20		10,256-20				
Rej. 2 Nor	6,384-50		6,384-50				
Rej. 3 Nor	5,311-40		5,311-40				
Rej. No. 4	8,135-00		8,135-00				
Rej. No. 5	1,042-20	584-50	1,627-10				
Smutty 1 Nor	2,913-50		2,913-50				
Smutty 2 Nor	3,706 50	616-50	4,323-40				
Smutty 3 Nor	7,536-40		7,536-40				
Smutty No. 4	7,007-10	6,996-00	14,003 10				
Smutty No. 5	2,437-40	8,026 00	10,463-40				
Smutty No. 6	1,029-30	2,786-00	3,815-30				
Smutty Rej. 2 Nor	1,000-00		1,000-00				
Tgh. 1 Nor	1,563-50	8,301-10	9,865-00				
Tgh. 2 Nor	6,127-10	13,786-00	19,913-10				
Tgh. 3 Nor	35,538-10	51,443-20	86,981-30				
Tgh. No. 4	46,338-10	58,622-50	104,961-00				
Tgh. No. 5	42,950-40	67,542-00	110,542-40				
Tgh. No. 6	28,230-50	44,218-40	72,449-30				
Tgh. Feed	22,024-30	8,215-10	30,239-40		1,262-20		1,262-20
N.G. Tgh. Rej. 2 Nor	2,081 30		2,081-30				
N.G. Tgh. Rej. 3 Nor	2,405-50		2,405-50				
N.G. Tgh. Rej. No. 4		854-30	854-30				
N.G. Tgh. Rej. No. 4 Husty	1,095-50		1,095-50				
N.G. Tgh. Rej. 3 Nor. Mxd. Htd					1,075-40		1,075-40
N.G. Tgh. Rej. No. 5					1,100-00		1,100-00
N.G. Tgh. Smutty 1 Nor	2,505-20		2,505-20				
N.G. Tgh. Smutty 3 Nor	1,013-10		1,013-10				
N.G. Tgh. Smutty No. 4	2,559-50		2,559-50				
N.G. Tgh. Smutty No. 5	2,444-50		2,444-50				
N.G. Tgh. Smutty No. 6	2,014-40		2,104-40				

N.G. Tgh. Smutty Feed	3,066-40	1,122-00	4,188-40				
N.G. Tgh. Rej. No. 5 Mxd. Htd					5,550 00		5,550-00
N.G. Tgh. Rej. No. 5 Mxd. Htd. and Htg	618-10		618-10				
N.G. Tgh. Smt. Rej. 1 Nor. Mxd. Fireburnt		1,100-50	1,100 50				
N.G. Tgh. Cond. 2 Nor. Htg	1,543-00		1,543 00				
Rej. 3 Nor. Mxd. Htd	2,293-20		2,293-20				
Rej. No. 4 Mxd. Htd						87-10	87-10
Rej. No. 6 Mxd. Htd	747 00		747-00				
Rej. No. 2 Nor. Damaged with Coal	1,143-50		1,143 50				
Cond		857-20	857-20				
Sample	1,063 10	27,964-30	29,027-40				
Total	1,613,722-20	394,654-40	2,008,377-00	1,083,545 00	64,798 30	840,040-40	1,988,384-10
Oats—							
No. 3 C.W	2,248-28		2,248 28		2,470 20		2,470 20
No. 1 Feed	106-26		106-26		2,511-26		2,511-26
No. 2 Feed	3,441 26		3,441-26				
Total	5,797-12		5,797-12		4,982-12		4,982-12
Barley—							
No. 3 C.W	2,624-38	1,750-00	4,374-38				
Dr. No. 3 C.W		3,884 28	3,884 28				
No. 4 C.W	14,549-08		14,549-08	229,514-38			229,514-38
Feed	2,975-00	1,374-08	4,349-08				
Rej	4,900-30	50,095-30	54,996-12				
N.G. Tgh. No. 3 C.W	10,534-24	67,715-39	78,250-15				
N.G. Tgh. No. 4 C.W	12,891-42	47,952-04	60,843-46			15,000-00	15,000-00
N.G. Tgh. Rej		1,255-10	1,255-10				
N.G. Tgh. Rej. and Htg	1,421-22		1,421-22				
Sample		8,677-14	8,677-14				
N.G. Tgh. Sample		1,363-36	1,363-36				
Total	49,897-20	184,068-25	233,965-45	229,514-38		15,000-00	244,514-38
Flax—							
No. 1 N.W.C		2,407-32	2,407 32				
No. 2 C.W						4,647-36	4,647-36
No. 3 C.W		2,205-40	2,205-40				
Rej. No. 2 C.W. Mxd. Broken Wheat						22-53	22-53
Rej. Mxd. Broken Wheat	48-37		48-37				
Total	48-37	4,613-16	4,661-53			4,670-33	4,670-33

BOARD OF GRAIN COMMISSIONERS

STATEMENT Showing the Receipts and Shipments, by Grades, at the Western "G" Private Terminal Elevator during the Crop Year, 1918-1919– *Concluded.*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Rye—							
2 C.W.						5,270–53	5,270 53
Tgh. 2 C.W.	5,265 30		5,265 30				
Total	5,265 30		5,265–30			5,270–53	5,270 53
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain	393,530	2,419,070	2,812,600	2,480,780	2,474,560	507,690	5,363,030
Screenings	53,810		53,810	46,820	523,150	82,780	652,750
Standard Stock Food		310,850	310,850		123,730		123,730
Elevator by products		119,900	119,900		299,000	828,050	1,127,050

APPENDIX No. 3

PRIVATE TERMINAL ELEVATORS
FORT WILLIAM, PORT ARTHUR AND WINNIPEG
Crop Year 1919-20
INDEX

	PAGE
Summary of total handlings	2036
Winnipeg—	
Anchor	2038
Paterson's	2039
Fort William and Port Arthur—	
Bole's	2041
Canadian Feed	2043
Capital	2046
Dwyer's	2048
*Empire	2051
United Grain Growers' "H"	2052
Merchants	2054
Muirhead's	2057
Mutual	2058
National	2061
Paterson's "K" and "O"	2066
Roy	2072
Thunder Bay	2073
Western "G"	2074

*Note.—Empire and Thunder Bay Elevators were operated under Private Terminal Licenses from August 12, 1920, only.

BOARD OF GRAIN COMMISSIONERS FOR CANADA

PRIVATE TERMINAL ELEVATORS—FORT WILLIAM, PORT ARTHUR AND WINNIPEG

SUMMARY of Total Handlings of each Kind of Grain—Crop Year, 1919-20.

—	Total Receipts	Total Shipments
Fort William—		
Bole Grain Co.—		
Wheat	6,191-30 bush.	2,991-50 bush.
Oats	316,422-32 "	79,788-08 "
Barley	16,982-44 "	1,275-00 "
Flax		82-06 "
Mixed grain	1,189,512 lbs.	538,490 lbs.
Scalpings	1,699,680 "	183,849 "
Canada Feed Mfg. Co.—		
Wheat	301,987-00 bush.	302,077-10 bush.
Oats	241,551-18 "	164,519-04 "
Barley	78,056-08 "	51,185-00 "
Corn	7,612-48 "	2,546-44 "
Mixed grain	644,930 lbs.	66,830 lbs.
Screenings	2,794,050 "	349,740 "
Scalpings	1,966,470 "	.....
St. St. Food	397,220 "	
Mild maize	49,900 "	.....
Capital—		
Wheat	1,276,487-30 bush.	1,304,562-00 bush.
Oats	32,306-16 "	39,660-00 "
Barley	64,230-29 "	66,052-44 "
Mixed grain	663,650 lbs.	
Screenings	"	1,352,200 lbs.
Scalpings	2,809,930 "	997,280 "
Dwyer's—		
Wheat	1,253,611-10 bush.	1,270,860-30 bush.
Oats	918,127-02 "	463,793-18 "
Barley	118,207-30 "	108,126-13 "
Rye	18-02 "	
Mixed grain	4,144,490 lbs.	340,940 lbs.
Screenings	242,620 "	914,630 "
Scalpings	1,857,860 "	808,250 "
St. St. Food		17,820 "
Empire—		
Wheat	13,182-20 bush.	8,306-50 bush.
Oats		1,407-12 "
Barley		1,152-04 "
Flax	3,081-15 "	
Mixed grain	..... lbs.	19,500 lbs.
Screenings	"	420,700 "
Merchants—		
Wheat	407,246-50 bush.	390,087-00 bush.
Oats	367,718-29 "	155,223-12 "
Barley	52,034-29 "	35,342-08 "
Corn	2,510-30 "	.....
Mixed grain	1,147,240 lbs.	654,050 lbs.
Screenings	51,870 "	283,440 "
Scalpings	2,292,910 "	50,070 "
Muirhead—		
Wheat	691-00 bush.	691-00 bush.
Oats	5,141-26 "	8,533-18 "
Barley	679,373-05 "	676,026-22 "
Mixed grain	495,100 lbs.	6,080 lbs.
Screenings	.....	204,090 "
Mutual—		
Wheat	5,387,487-10 bush.	5,456,134-20 bush.
Oats	265,096-22 "	291,950-20 "
Barley	22,304-08 "	21,771-32 "
Rye	481-08 "	.....
Mixed grain	342,467 lbs.	46,000 lbs.
Screenings	..... "	3,109,800 "
Scalpings	237,580 "	1,897,600 "
St. St. Food	..... "	398,000 "
Paterson's "K" & "O"—		
Wheat	6,405,816-10 bush.	6,336,416-10 bush.
Oats	1,174,255-00 "	1,174,604-14 "
Barley	715,842-02 "	730,407-26 "
Flax	2,429-18 "	2,250-54 "
Rye	32,309-43 "	36,349-02 "
Mixed grain	1,235,748 lbs.	751,760 lbs.
Screenings	134,690 "	2,875,670 "
Scalpings	1,584,680 "	1,073,220 "
St. St. Food	.....	200,000 "

APPENDIX No. 3

BOARD OF GRAIN COMMISSIONERS OF CANADA

SUMMARY of Total Handlings of each kind of Grain—Crop Year, 1918-1919—*Concluded*

—	Total Receipts	Total Shipments
Roy—		
Wheat		396-40 bush.
Mixed grain		17,610 lbs.
Screenings		103,250 "
Western "G"—		
Wheat	2,317,203-40 bush.	2,324,810-50 bush
Oats	24,850-00 "	26,550-30 "
Barley	129,112-36 "	129,603-34 "
Flax	1,627-53 "	1,050-10 "
Mixed grain	383,380 lbs.	
Screenings		963,890 lbs.
Scalpings	396,710 "	1,261,740 "
St. St. Food	71,000 "	
Port Arthur—		
United Grain Growers' "H"—		
Wheat	5,032,077-40 bush.	5,104,505-30 bush.
Oats	94,845-00 "	99,082-22 "
Barley	26,957-24 "	25,364-38 "
Rye	1,452-12 "	
Mixed grain	163,240 lbs.	
Screenings	202,750 "	8,920,970 lbs.
Scalpings	25,510 "	1,709,000 "
National—		
Wheat	1,376,468-20 bush.	1,422,000-40 bush.
Oats	1,025,139-32 "	655,361-14 "
Barley	744,961-18 "	773,984-22 "
Flax	3,641-23 "	3,503-04 "
Rye	689-26 "	72-38 "
Mixed grain	5,836,820 lbs.	959,980 lbs.
Screenings	146,965 "	1,993,790 "
Scalpings	4,128,830 "	761,820 "
St. St. Food	"	325,490 "
Thunder Bay—		
Wheat	10,922-10 bush.	39,862-40 bush.
Barley	3,370-30 "	"
Flax	2,078-03 "	"
Rye	1,054-16 "	1,054-16 "
Winnipeg—		
Anchor—		
Wheat	17,935-10 bush.	37,021-00 bush
Oats	1,882,207-10 "	878,969-04 "
Barley	53,123-31 "	46,334-38 "
Flax	2,262-08 "	2,218-42 "
Rye	906-24 "	
Mixed grain	356,900 lbs.	278,200 lbs.
Screenings	2,236,460 "	127,440 "
Scalpings	572,240 "	
Paterson's—		
Wheat	681,930-00 bush.	728,736-15 bush.
Oats	1,528,692-02 "	1,195,991-08 "
Barley	161,501-42 "	163,187-24 "
Flax	2,020-50 "	1,892-28 "
Rye	51,626-43 "	49,145-25 "
Mixed grain	468,470 lbs.	217,470 lbs.
Screenings	419,350 "	623,650 "

Fort William, Ont.

ERNEST A. URSELL,
Statistician.

STATEMENT—Showing the Receipts and Shipments at the Anchor Private Terminal Elevator, Winnipeg (by Grades) (during the Crop Year (Sept. 1st, 1919, to August 31st, 1920).

Grade	Receipts	Shipments
	Net Bush.	Net Bush.
Wheat—		
No. 1 Nor	2,695-50	2,695-50
No. 2 Nor	10,905-10	11,242-40
No. 3 Nor	2,463-50	3,462-30
No. 4 "Special"	1,229-50	.....
N.G. Tgh. No. 2 Nor	290-30	.....
N.G. Tgh. Smutty No. 3 Nor	29-20	.....
N.G. Tgh. Con. Fireburnt	320-40	3,186-40
Cond. Fireburnt	.....	12,333-20
Cond. Heated	.....	1,100-00
Cond. Heated and Fireburnt	.....	3,000-00
Total	17,935-10	37,021-00
Oats—		
No. 1 C.W	.....	1,965-20
No. 2 C.W	234,612-20	202,601-26
No. 3 C.W	452,092-22	339,971-06
Ex. No. 1 Feed	42,463-18	15,525-30
No. 1 Feed	128,707-32	85,785-30
No. 2 Feed	196,886-16	117,302-02
Rej'd	48,227-32	1,941-06
N.G. Tgh. No. 2 C.W	122,411-26	16,353-08
N.G. Tgh. No. 3 C.W	302,206-06	42,144-14
N.G. Tgh. Ex. No. 1 Feed	13,026-16	.....
N.G. Tgh. No. 1 Feed	113,088-28	19,612-02
N.G. Tgh. No. 2 Feed	184,087-22	24,695-10
N.G. Tgh. Rej'd	16,868-18	.....
N.G. Tgh. Rej'd. Dp	1,868-18	.....
N.G. Tgh. Cond. Fireburnt	.....	1,941-06
N.G. Tgh. Cond. and Htg	2,333-18	.....
N.G. Tgh. Rej'd. Mix. Htd	23,324-24	.....
Cond. Fireburnt	.....	7,482-12
Cond. Htd. and Fireburnt	.....	1,647-02
Total	1,882,207-10	878,969-04
Barley—		
No. 3 C.W	12,870-05	23,667-44
No. 4 C.W	3,606-32	14,051-22
Feed	13,792-14	1,282-04
Rej'd	1,409-28	.....
N.G. Tgh. No. 3 C.W	6,287-04	5,958-16
N.G. Tgh. No. 4 C.W	11,998-46	1,375-00
N.G. Tgh. Feed	1,871-32	.....
N.G. Tgh. Rej'd	1,287-14	.....
Total	53,123-31	46,334-38
Flax—		
No. 1 N.C.W	.....	1,325-00
Rej'd	873-12	893-42
Tgh. No. 1 N.C.W	1,388-52	.....
Total	2,262-08	2,218-42
Rye—		
No. 2 C.W	906-24	.....
Mixed Grain—		
No grade given	356,900	.....
Cond. Fireburnt	.....	278,200
Total	356,900	278,200
Screenings	2,236,460	127,440
Scalpings	572,240	.....

APPENDIX No. 3

STATEMENT—Showing the Receipts and Shipments at the Paterson's Private Terminal Elevator, Winnipeg (by Grades) during the Crop Year (Sept. 1st, 1919, to August 31, 1920).

Grade	Receipts	Shipments
	Net Bush.	Net Bush.
Wheat—		
No. 1 Nor	86,263-20	90,451-30
No. 2 Nor	76,416-00	65,191-35
No. 3 Nor	174,305-45	246,434-50
No. 4	34,452 40	3,513 20
No. 4 Spec	39,679 55	108,339-30
No. 5	7,278 20	
No. 5 Spec	14,853-10	22,221-50
No. 6	2,311-50	
No. 6 Spec	4,230 30	1,990 40
Feed	1,154-00	
Rej. No. 1 Nor	10,775 00	6,871 20
Rej. No. 2 Nor	14,668-55	29,073-20
Rej. No. 3 Nor	45,324 50	70,762 40
No. 4	4,650-50	4,632 00
No. 4 Spec	4,517-50	14,901-40
No. 5 Spec	1,202 05	
Smutty Rej. No. 3	1,029 10	1,029 10
N.G. Tgh. No. 1 Nor		1,069 10
N.G. Tgh. No. 2 Nor	8,117-50	3,674-50
N.G. Tgh. No. 3 Nor	54,316-55	19,126-20
N.G. Tgh. No. 4	1,342 50	
N.G. Tgh. No. 4 Spec	42,356-00	13,368-00
N.G. Tgh. No. 4 Spec. Dp	1,466-40	2,068-20
N.G. Tgh. No. 5	1,423 10	
N.G. Tgh. No. 5 Spec	14,466-05	969-00
N.G. Tgh. No. 6 Spec	4,102 40	
N.G. Tgh. Feed	1,546-50	
N.G. Tgh. Rej. No. 2 Nor		1,466 40
N.G. Tgh. Rej. No. 3 Nor	8,339-30	12,167-10
N.G. Tgh. Rej. No. 3 Nor. Sprouted	6,516 50	
N.G. Tgh. Rej. No. 4 Spec	7,635-30	8,389-10
N.G. Tgh. Rej. No. 4 Spec. Sprouted	5,367-20	
N.G. Tgh. Rej. No. 5 Spec	1,817-40	
N.G. Tgh. Smutty No. 3		1,024-10
Total	681,930-00	728,736-15
Oats—		
No. 2 C.W	119,717-02	226,423-22
No. 3 C.W	614,989-14	246,214-02
Ex. No. 1 Feed	16,467-02	38,663-08
No. 1 Feed	86,883-28	85,004-14
No. 2 Feed	151,695-00	189,191-26
Rej	24,925-00	10,407-02
N.G. Tgh. No. 2 C.W	54,165-00	45,431-06
N.G. Tgh. No. 3 C.W	219,962-32	240,022-02
N.G. Tgh. Ex. No. 1 Feed	17,264-24	2,164-24
N.G. Tgh. No. 1 Feed	71,410-10	42,772-02
N.G. Tgh. No. 2 Feed	130,504-04	50,838-08
N.G. Tgh. Rej	18,747-12	17,198-18
Tgh. Cond. Fireburnt Dp	1,960-10	1,960-10
Total	1,528,692-02	1,195,291-08
Barley—		
No. 3 C.W	41,236-42	100,349-08
No. 4 C.W	40,433-46	11,268-26
Feed	41,017 44	46,717-34
Rej	7,250-20	1,500-00
N.G. Tgh. No. 3 C.W	8,517-04	2,750-00
N.G. Tgh. No. 4 C.W	11,402-24	602-04
N.G. Tgh. Feed	6,677-34	
N.G. Tgh. Rej	4,965-20	
Total	161,501-42	163,187-24
Flax—		
No. 1 N.C.W	1,075-10	1,073-22
No. 2 C.W	74-10	
Tgh. No. 1 N.C.W. Dp	871-24	819-06
Total	1,020-50	1,892-28

STATEMENT—Showing the Receipts and Shipments at the Paterson's Private Terminal Elevator—*Con.*

Grade	Receipts	Shipments
	Net Bush.	Net Bush.
Rye—		
No. 2 C.W.	33,143-01	36,250-35
Rej.	9,639-26	5,084-46
Tgh. No. 2 C.W.	6,642-38	4,100-20
Tgh. Rej. No. 2 C.W.	2,201-34	3,709-36
Total	51,626-43	49,145-25
Mixed Grain—	Lbs.	Lbs.
No. 4	68,650	.....
Wheat and Wild Oats	.....	63,820
No Grade given	399,820	153,650
Total	468,470	217,470
Screenings	419,350	623,650

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Bole Private Terminal Elevator during the Crop Year 1919-20. (September 1st, 1919 to August 31st, 1920)

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 3 Nor						2,240-10	
No. 4						337-20	
No. 4 Special						414-20	
Feed		1,421-50					
N.G. Tf. Rfd. No. 6 Special		1,542 30					
N.G. Tf. Rjd. No. 2 Nor. mix sand Gravel		13-30					
N.G. Tf. Sm. Rej. No. 2 Nor. Mix Heated		1,086 00					
Cond. No. 1 Nor		1,030 30					
Cond. No. 2 Nor		1,008 20					
Cond. No. 1 Nor. Heated		88 40					
Total		6,191-30				2,991-50	
Oats—							
No. 2 C.W	2,105-10	3,047 32	5,153 08		1,941-06		1,941-06
Dried No. 2 C.W		2,040 20	2,040 20				
No. 3 C.W	7,159-14		7,159-14		2,000-00		2,000-00
Ex. No. 1 Feed	4,072-32		4,072-32				
No. 1 Feed		5,892 12	5,892 12		1,941 06		1,941 06
No. 2 Feed	9,463-18	10,338-28	19,802-12		25,470-20		25,470-20
Rejected	3,590 00	42,260 00	45,850 00		8,000 00		8,000 00
Rejected Mix Heated	3,028 08	12,468 18	15,496 26		11,564-24		11,564-24
N.G. No. 2 C.W. Tgh	13,585-20	32,561-16	46,147-02				
N.G. No. 2 C.W. Damp	2,222-32	2,693 08	4,916-06				
N.G. No. 3 C.W. Tgh	23,956-16	16,427-02	40,383-18				
N.G. No. 3 C.W. Damp	1,535-10		1,535-10				
N. G. Ex. No. 1 Feed Tgh		3,470 30	3,470 30				
N.G. No. Feed Tgh	5,215 00	13,329 24	18,544 24		1,941 06		1,941-06
N.G. No. 1 Feed Damp	3,460 00		3,460 00				
N.G. No. 2 Feed Tgh	6,093 08	13,320 20	19,413 28		7,588-08		7,588-08
N.G. No. 2 Feed Damp	5,609-24		5,609-24				
N.G. Rejected Tgh	4,418 08	15,033 08	19,451 16		4,000 00		4,000 00
N.G. Rejected Damp		3,697 22	3,697 22				
N.G. Tgh. Rej. Mix Heated	4,753 18	11,515 00	16,268 18		13,400 00		13,400 00
N.G. Damp Rej. Mix Heated					1,941-06		1,941-06
N.G. Tgh. Rej. Mix Fireburnt		2,116-16	2,116 16				
N.G. No. 2 C.W. Damp Mix Snow and Ice	1,873-28		1,873-28				
N.G. Cond. Tgh. Heated		2,002 12	2,002 12				
Cond		3,462-02	3,462 02				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Bole Private Terminal Elevator during the Crop Year 1919-20.—*Concluded*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
Oats—Con	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Cond. Heated		1,394-04	1,394-04				
Cond. Mix Heated		3,317-32	3,317 32				
Sample	1,810-00	12,079-24	13,889-24				
Total	103,953-08	212,469-24	316,422-32		79,788 08		79,788-08
Barley—							
Feed	2,281-32	8,775-10	11,056-42				
Rejected		1,375-00	1,375-00				
Rej. Mix. Heated	1,317-04	2,459-28	3,776-32		1,275-00		1,275-00
Cond		774-18	774 18				
Total	3,598-36	13,384-08	16,982-44		1,275-00		1,275-00
Flax—							
No. 2 C.W						82-06	82-06
Total						82-06	82-06
Mixed Grain—	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
No. 1	67,470		67,470				
No. 2		35,420	35,420				
No. 3		27,220	27,220			55,290	55,290
No. 4	13,130	129,470	142,600				
N.G. Tgh. No. 3	65,880		65,880				
N.G. No. 3 Damp	3,400		3,400				
N.G. No. 4 Tgh		50,430	50,430				
N.G. Rej. No. 4 Mix. Htd					117,200		117,200
N.G. Tgh. Oats and Wild Oats		59,810	59,810				
Rej. No. 3 Mix. Heated		123,110	123,110				
Rej. No. 4 Mix. Heated					61,200		61,200
Rej. Mix Heated					243,600		243,600
Oats and Wild Oats		176,540	176,540				
Oats, Wild Oats and Barley	67,790		67,790				
Oats, Barley, Wild Oats and Wheat					61,200		61,200
Barley and Wild Oats		79,540	79,540				
Sample		290,302	290,302				
Total	217,670	971,842	1,189,512		483,200	55,290	538,490
Scalpings	1,174,200	525,480	1,699,680		183,840		183,840

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments—by Grades, at the Canadian Feed Manufacturing Company's Private Terminal Elevator during the Crop Year 1919-20—(September 1st, 1919 to August 31st, 1920)

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
Wheat—	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
No. 1 Nor	11,848-30	4,944-20	16,792 50		2,937 00	18,493-00	21,430-00
No. 2 Nor	49,039-10		49,039 10		29,668 46	61,380-10	91,048-50
No. 3 Nor	65,737-20	5,604-40	71,342 00		26,488 20	61,723 50	88,212-10
No. 4						771 00	771-00
No. 4 Special	18,611-00		18,611-00			13,330 20	13,330-20
No. 5						1,066 00	1,066 00
No. 5 Special	1,511-50		1,511-50			5,312 30	5,312 30
No. 6 Special						1,085-40	1,085-40
Feed	480-50	2,180-50	2,661-40			4,284 20	4,284-20
No. 3 Nor. Smutty	1,023-10		1,023-10			2,099-10	2,099-10
No. 1 Nor. Rejected	938-30		938-30				
No. 2 Nor. Rej	1,093-10		1,093-10				
No. 3 Nor. Rejected	6,273-40		6,273-40			1,035-40	1,035-40
Rejected No. 4						1,406-40	1,406-40
Rejected No. 5 Special Damp	1,917-10		1,917-10				
N.G. No. 1 Nor. Tgh		2,162-00	2,162-00				
N.G. No. 2 Nor. Tgh	1,049-10	3,378-00	4,427-10			5,009-20	5,009-20
N.G. No. 2 Nor. Damp	1,353-20		1,353-20				
N.G. No. 3 Nor. Tgh	55,098-30		55,098 30		11,236-40	34,577-40	45,814 20
N.G. No. 3 Nor. Damp	4,003-10		4,003-10			1,337 20	1,337-20
N.G. No. 4 Tgh						1,030 20	1,030-20
N.G. No. 4 Special Tgh	27,574-00	4,850-40	32,424-40			9,895-40	9,895-40
N.G. No. 4 Special Damp	6,045-30		6,045-30				
N.G. No. 5 Special Tgh	1,882-50		1,882-50				
N.G. No. 5 Special Damp	3,636-50	1,015-00	4,651 50				
N.G. No. 6 Special Tgh	2,164-10		2,164-10			1,067-30	1,067-30
N.G. Feed Tgh	620 00		620-00				
N.G. Rej. No. 2 Nor. Damp	590-00		590-10				
N.G. Rej. No. 3 Nor. Tgh	3,370 40		3,370 10			1,084 40	1,084-40
N.G. Rej. No. 3 Nor. Damp	1,025-20		1,025-20				
N.G. Rej. No. 3 Nor. Sprouted	855-20		855-20				
N.G. Rej. No. 4 Special Tgh	1,937-30	1,395-40	3,333-10			1,204-00	1,204-00
N.G. Rej. No. 5 Special Tgh	1,300-50		1,300 50				
N.G. Rej. No. 5 Special Damp	1,012-30		1,012-30			1,185-20	1,185-20
N.G. Rej. No. 5 Mx Htd. & Musty Tgh						3,366-20	3,366-20
N.G. Rej Feed Mx. Htd. & Htg. Tgh		1,142-00	1,142 00				
N.G. 3 Nor. Smutty Tgh	1,073-50		1,073-50				
Sample		1,091-20	1,091-20				
Sample Damp	1,154-30		1,154-30				
Total	274,222-30	27,764-30	301,987-00		70,330-40	231,746 30	302,077-10

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Canadian Feed Manufacturing Company's Private Terminal Elevator during the Crop Year 1919-20. (September 1st, 1919 to August 31st, 1920)—*Con.*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Oats—							
No. 2 C.W.	14,630-00		14,630-00		6,875-10	22,627-22	29,502-32
No. 3 C.W.	15,103 30	5,943-18	21,047-14		27,393-18	20,491 26	47,885-10
No. 1 Feed	5,599 04		5,599-04		5,349-14	10,020-00	15,369-14
No. 2 Feed	20,579 04	1,799 14	22,378-18		13,704-24	11,432-32	25,137-22
Rejected	1,952 22	9,018 28	10,971-16				
N.G. No. 2 C.W. Tgh	27,939-24	4,472 32	32,412 22		1,000 00	17,768 08	18,768-08
N.G. No. 3 C.W. Tgh	38,811-20	16,831-20	55,643-18			10,138 08	10,138-08
N.G. No. 3 C.W. Damp	1,603-28		1,603 28				
N.G. No. 1 Feed Tgh	3,855-20		3,855-20				
N.G. No. 2 Feed Tgh	21,645 06	3,689 14	25,334-14				
N.G. Rej. Tgh	1,900-00	3,857 22	5,757 22				
N.G. Rej. Damp	1,857-12		1,857-12				
N.G. Rej. Mix Heated					6,616-16		6,616-16
Rejected Heated		3,885 30	3,885-30				
Rejected Mix Heated		32,705 10	32,705 10		11,100 30		11,100-30
Sample		3,868-28	3,868-28				
Total	155,478-00	86,073-18	241,551-18		72,040-10	92,478-28	164,519-04
Barley—							
No. 3 C.W.	3,521-34		3,521-34		3,305-40	5,130-40	8,436-32
No. 4 C.W.	7,883-36	2,655-00	10,538-36		7,072-44	22,407 04	29,480-00
Feed	8,643 16	12,068 16	20,711 32			1,568 16	1,568-16
Rejected	4,203 06	1,315 20	5,518 26			2,662-44	2,662-44
N.G. No. 3 C.W. Tgh	7,785 44		7,785-44			1,716-12	1,716-12
N.G. No. 3 C.W. Damp	3,091-32		3,091-32				
N.G. No. 4 C.W. Tgh	6,547-34	1,114-28	7,662-14			1,353-16	1,353-16
N.G. Feed Tgh	2,896-12	7,277-44	10,174-08				
N.G. Tgh. Rejected	1,311-42	2,591-12	3,903-06				
Rej. Mix Heated		3,385 00	3,385 00			5,967-24	5,967-24
Sample		1,763-16	1,763-16				
Total	45,885-16	32,170-40	78,056-08		10,378-36	40,806-12	51,185-00

Flax—					30½ bags (not officially weighed)		30½ bags, (not officially weighed)
Corn—	5,380–20	2,232–28				2,546–44	2,546–44
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—							
No. 3	26,390	258,420	284,810				
No. 4	43,920		43,920				
Barley and Wild Oats		61,580	61,580				
Wild Oats, Oats and Screenings		44,220	44,220				
N.G. No. 3 Tgh	78,990		78,990				
N.G. Barley and Wild Oats Tgh	66,830		66,830			66,830	66,830
N.G. No. 3 Mix Htd. and Htg. Chg		64,580					
Total	216,130	428,800	644,930			66,830	66,830
Screenings		2,794,050	2,794,050		349,740		349,740
Scalpings		1,966,470	1,966,470				
Standard Stock		397,220	397,220				
Milo Maize	49,900		49,900				
Sunflower Seed	490						

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Capital Private Terminal Company during the Crop Year 1919 20 (September 1st, 1919, to August 31st, 1920

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Nor	8,610-30		8,610-30		1,100-00	4,816-10	5,916-10
No. 1 Nor. Dried		943-10	943 10				
No. 2 Nor	15,135 50		15,135 50		1,100 00	29,606 10	30,706-10
No. 2 Nor. Dried	994 10	12,437-10	13,431 20			1,167 20	1,167 20
No. 3 Nor	343,106 50		343,106 50		81,766 40	547,016 50	628,783-30
No. 4	24,571 00	2,564 10	27,135 10			33,168 10	33,168-10
No. 4 Special	191,742 20	7,065 40	198,808 00		3,300 00	217,267 50	220,567 50
No. 5	25,201-30		25,201 30			23,784 00	23,784-00
No. 5 Special	40,876 00	2,667 20	43,543 20			28,332 10	28,332 10
No. 6	5,646 00	2,328 40	7,974 40			9,156 00	9,156-00
No. 6 Special	11,270 00	1,813 30	13,083 30			7,919 00	7,919-00
Feed	5,972-50	11,476-20	17,449-10			16,550-30	16,550-30
Rej. 1 Nor. Mix Gravel		817 00	817 00				
Rej. No. 2 Nor	1,030 40		1,030 40				
Rej. No. 3 Nor	8,516 00	1,210 20	9,726 20			34,602-20	34,602-20
Rej. No. 4						2,671-40	2,671-40
Rej. No. 4 Special	1,003-10	4,787-00	5,790 10			31,441-00	31,441-00
Rej. No. 5 Special	2,086 30	2,646 30	4,733 00				
Rej. No. 6 Special	2,345-40		2,345-40				
Rej. No. 3 Nor. Sprouted		2,072 50	2,072 50				
Rej. No. 3 Nor. Mix Coal and Grvl		769 30	769 30				
N.G. No. 1 Nor. Tgh	1,449 50	7,992 30	9,442 20			1,722 50	1,722-50
N.G. No. 2 Nor. Tgh	3,812-40	22,736-40	26,549-20				
N.G. No. 3 Nor. Tgh	224,019-10	34,354 40	258,373 50			178,805-50	178,805-50
N.G. No. 3 Nor. Damp	10,228-10	1,031-10	11,259 20				
N.G. No. 4 Tgh	6,464-10	608-50	7,073-00				
N.G. No. 4 Tgh. Special	95,633-40	6,775 50	102,409 30			17,636-20	17,636 20
N.G. No. 4 Damp Special	16,155-30	1,034 00	17,189 30				
N.G. No. 5 Tgh	1,576 00	1,060 30	2,636 30			4,453-50	4,453-50
N.G. No. 5 Tgh. Special	14,335 20	6,481-30	20,816-50				
N.G. No. 6 Tgh	3,605-00		3,605-00				
N.G. No. 6 Tgh. Special	1,314 50		1,314-50				
N.G. No. 6 Damp Special	3,177 20		3,177 20				
N.G. Feed Tgh	1,041-20	1,023-00	2,064-20				
N.G. Feed Damp	1,017-20		1,017 20				
N.G. Rej. No. 2 Nor. Tgh		1,354 30	1,354 30				
N.G. Rej. No. 3 Nor. Tgh	10,766-40	7,203 20	17,970 00		4,400-00	19,787-40	24,187-40
N.G. Rej. No. 3 Nor. Damp	1,233 20		1,233 20				
N.G. Tgh. Rej. No. 3 Nor. Sprtd	8,236-00	6,143-30	14,379-40				

N.G. Tgh. Rej. No. 4 Special	4,460–10	3,531–00	7,991–10		1,466–40		1,466–40
N.G. Tgh. Rej. No. 5 Special	1,024–40	1,988–00	3,012–40				
N.G. Damp Rej. No. 5 Special	999–30		999–30				
N.G. Rej. No. 6 Special Tgh		921–20	921–20				
N.G. Rej. No. 1 Nor. Mix. Sand Cryl		1,260–50	1,260–50				
N.G. Rej. 2 Nor. Tgh. Mix Sand Cryl		1,018–20	1,018 20				
N.G. 3 Nor. Tgh. Smutty	1,523 00		1,523–00			1,523–00	1,523–00
N.G. Spring and Durum Tgh	1,160–40		1,160–40				
Sample		15,025–20	15,025–20				
Total	1,101,343–30	175,144–00	1,276,487–30		93,133–20	1,211,428–40	1,304,562–00
Oats—							
No. 3 C.W		2,968–28	2,968 28			10,220 00	10,220 00
No. 1 Feed	1,772–12		1,772–12			5,298–18	5,298–18
No. 2 Feed	1,158 28	3,879 04	5,037 32		5,823–18		5,823 18
Rejected	4,027–12	3,866–06	7,893–18		12,821–16		12,821–16
N.G. No. 3 C.W Tgh	5,540–30		5,540–30				
N.G. No. 1 Feed Tgh	1,858 28		1,858 28				
N.G. No. 2 Feed Tgh	2,164 24	1,360 30	3,525 20			1,767–22	1,767–22
N.G. Rej. Tgh	1,810 10		1,810 10		1,941–06	1,787–22	3,728–28
N.G. No. 2 Feed Htg. Damp	1,898–08		1,898–08				
Total	20,231 16	12,075–00	32,306 16		20,586 06	19,073 28	39,660 00
Barley—							
No. 3 C.W	1,373 46	5,501 22	6,875 20		2,750 00	3,036–12	5,786–12
No. 4 C.W	5,045 40		5,045 40			39,478–36	39,478–36
Feed	7,503 36	2,542 24	10,046 12			3,284–38	3,284 38
Rejected	1,782 44	5,246 12	7,029 08		4,125 00	8,388 46	12,513–46
N.G. No. 3 C.W. Tgh	3,751–41	1,114–38	4,866–31			4,989–08	4,989–08
N.G. No. 4 C.W. Tgh	10,952–24	2,912–04	13,864–28				
N.G. Feed Tgh	4,972–24	4,988–46	9,961–22				
N.G. Feed Damp	1,636 12		1,636 12				
N.G. Rejected Tgh	2,149–18		2,149–18				
Sample		2,755 30	2,755 30				
Total	39,168 45	25,061 32	64,230–29		6,875 00	59,177 44	66,052–44
Mixed Grain—	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
No. 1	39,000		39,000				
No. 3	153,690	152,630	306,320				
N.G. No. 4 Tgh	68,830		68,830				
Oats and Wild Oats		22,250	22,250				
Barley and Rye		22,330	22,330				
Sample		204,920	204,920				
Total	261,520	402,130	663,650				
Screenings					1,016,610	335,590	1,352,200
Scalpings	48,450	2,761,480	2,809,930		427,740	569,540	997,280

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments—by Grades—at the Dwyer Private Terminal Elevator during the Crop Year 1919-20. (September 1st. 1919 to August 31st. 1920)

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bus.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Nor	444,845-10		444,845-10	423,159 40	38,616 40	27,311-10	489,087 30
No. 2 Nor	229,970-20		229,970 20	182,092 30	35,501 00	15,558 00	233,151-30
No. 3 Nor	215,367-40		215,367-40	200,401 20	21,450 00	8,211-10	230,062 30
No. 4	11,304-10		11,304-10	39,992-40		725-00	40,717-40
No. 4 Special	58,318 50	10,359 00	68,677 50	82,995-30	1,566-40	8,811-40	93,373-50
No. 5	3,241 50		3,241 50				
No. 5 Special	21,038-20	13,822-20	34,860 40			1,076-00	1,076-00
No. 6	913--20		913-20				
No. 6 Special	827--20		827-20				
Feed		642 40	642-40				
Rejected No. 1 Nor	2,951 00		2,951-00				
Rejected No. 2 Nor	3,959-50		3,959 50				
Rejected No. 3 Nor	4,774-50		4,774-50			4,774 50	4,774-50
Rejected No. 4 Special						5,333 20	5,333-20
Rejected No. 5	2,357-10		2,357-10			2,357-10	2,357-10
N. G. No. 1 Nor. Tgh	2,698-20		2,698-20				
N. G. No. 2 Nor. Tgh	20,725-00		20,725-00			2,416-00	2,416-00
N. G. No. 2 Nor. Damp	2,254-20		2,254 20				
N. G. No. 3 Nor. Tgh	117,479-50	10,658-10	128,138 00	40,637-20	22,350-00	70,118-30	133,105-05
N. G. No. 3 Nor. Damp	5,224 40		5,224 40				
N. G. No. 4 Tgh	2,960-30		2,960 30				
N. G. No. 4 Special Tgh	45,438 50		45,438 50	15,000 00		8,601-10	23,601-10
N.G. No. 4 Special Damp	2,117-50		2,117 50				
N. G. No. 5 Special Tgh	13,248-40		13,248-40			1,218-50	1,218-50
N. G. No. 6 Special Tgh	2,458-40		2,458-40				
N. G. Rejected No. 3 Nor. Tgh	554-10		554 10				
N. G. Rejected No. 4 Special Tgh	1,269-40		1,269-40			8,200-00	8,200-00
N. G. Rejected No. 5 Special Tgh						1,250-00	1,250-00
N. G. Smutty No. 3 Nor. Tgh	71-10		71 10				
Rejected No. 3 Nor. Tgh. Mix Heated	1,134-20		1,134-20		1,134-20		1,134-20
Cond. 1 Nor. Tgh	623-10		623-10				
Total	1,218,129-00	35,482-10	1,253,611 10	984,279-00	120,618-40	165,962-50	1,270,860-30

Oats—							
No. 2 C. W.	98,290-10	2,000-00	100,290-10		92,195-30	3,185-30	95,381-26
No. 3 C. W.	125,552-32		125,552-32		96,070-10	3,752-32	99,823-08
No. 3 C. W. Dried		3,864 14	3,864 14				
Ex. No. 1 Feed	7,680-30		7,680 30		6,175-20	1,569-14	7,745-00
No. 1 Feed	44,263 28	2,451 26	46,715 20		25,334 04		25,334 04
No. 2 Feed	96,349-04	11,246-16	107,595-20		66,822-22		66,822-22
Rejected	16,534-24		16,534-24		29,157-32	5,067-02	34,225-00
N. G. No. 2 C. W. Tgh	59,711-16		59,711-16		43,672-22	1,821-16	45,494-04
N. G. No. 2 C. W. Damp	1,690-10	68,290-10	69,980-20				
N. G. No. 3 C. W. Tgh	86,520-10	129,072-32	215,593-08	27,260-30	42,110-00		69,370-30
N. G. Ex. No. 1 Feed Tgh	3,431-16	5,780-10	9,211 26		3,431-16		3,431-16
N. G. No. 1 Feed Tgh	18,937-12	51,330 20	70,267 32		1,941-06		1,941-06
N. G. No. 2 Feed Tgh	32,883 18	22,291 16	55,175 00		11,294 24		11,294 24
N. G. No. 2 Feed Damp	1,515-10	1,603 18	3,118-28				
N. G. No. 2 Feed Tfg. Htg	1,820-10		1,820-10				
N. G. Rejected Tgh	82-12	2,382-22	2,465-00				
N. G. Rejected Damp	1,524 14	2,032-12	3,556 26				
N. G. Rejected Tgh. Mix Hted		1,792-32	1,792-32				
Rejected Mix Htd	1,879-04	10,516-06	12,395-10				
Sample		4,803-18	4,803-18		2,650-00	279-14	2,929 14
Total	598,667-22	319,459-14	918,127-02	27,260-30	420,856-16	15,766-06	463,793-18
Barley—							
No. 3 C. W.	37,830-00		37,830-10	22,405-30	7,387-10	12,113-21	41,906-13
No. 4 C. W.	21,220 00		21,220 00		3,965 10	16,880 04	20,845 14
Reed	9,729-04		9,729-04		5,537-34	925-36	6,463-22
Rejected	9,690 20	2,815-10	12,505 30		2,897 14	4,125 00	7,022 41
N. G. No. 3 C. W. Tgh	8,290-08	1,647-34	9,937-42		1,273-29	5,423-21	6,697-02
N. G. No. 3 C. W. Damp	1,568 36		1,568 36				
N. G. No. 4 C. W. Tgh	8,375-40		8,375-40		2,949-00	9,343-06	12,292-06
N. G. Feed Tgh	5,669 30	3,336 22	9,006 04				
N. G. Feed Damp	338 26		338-26				
N. G. Rejected Tgh	1,220-30		1,220-30				
N. G. Rejected Tgh. Mix. Htg		1,632-34	1,632 34				
N. G. Rejected Tgh. Htd					7,181-12		7,181-12
N. G. Cond. Tgh		897 34	897 34				
Rejected Mix. Htd	1,301-42		1,301-42		5,718-26		5,718-26
Sample		2,642 34	2,642 34				
Total	105,235 06	12,972-24	118,207 30	22,405 30	36,909 39	48,810-40	108,126-13
Rye—							
Tgh. Rejected No. 2 C. W.	18 02		18 02				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

Dwyer Private Terminal Elevator Company

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net lbs.	Net lbs.	Net lbs.	Net lbs.	Net lbs.	Net lbs.	Net lbs.
Mixed Grain—							
No. 1	33,700	.....	33,700	.....	.....	.....	.....
No. 2	61,820	65,330	127,150	.....	.....	.....	.....
No. 3	130,100	232,950	363,050	.....	193,830	.....	193,830
No. 4	542,550	927,130	1,469,680	.....	67,220	.....	67,220
Barley and Wild Oats	8,960	.....	8,960	.....	.....	.....	.....
Rye and Barley	.....	125,050	125,050	.....	.....	.....	.....
Barley, Rye and Wild Oats	.....	.....	.....	.....	79,890	.....	79,890
N. G. No. 2 Tgh	83,390	.....	83,390	.....	.....	.....	.....
N. G. No. 3 Tgh	80,220	63,480	143,700	.....	.....	.....	.....
N. G. No. 4 Tgh	47,910	1,137—040	1,184—950	.....	.....	.....	.....
N. G. Rejected No. 4 Tgh. Mix. Htd	.....	60,030	.....	.....	.....	.....	.....
N. G. Tgh Oats and Wild Oats	850	.....	850	.....	.....	.....	.....
N. G. Tgh. Wild Oats and Barley	2,830	.....	2,830	.....	.....	.....	.....
N. G. Tgh. Rye and Barley	.....	74,850	74,850	.....	.....	.....	.....
N. G. Tgh. Wheat and Ragweed	.....	64,880	64,880	.....	.....	.....	.....
Sample	.....	401,420	401,420	.....	.....	.....	.....
Total	992,330	3,152,160	4,144,490	.....	340,940	.....	340,940
Screenings	.....	242,620	242,620	.....	896,980	17,650	914,630
Scalpings	565,170	1,292,690	1,857,860	288,530	406,300	113,420	808,250
Standard Stock	.....	.....	.....	.....	17,820	.....	17,820

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades, at the Empire Private Terminal Elevator during the Crop Year 1919-20
(September 1, 1919, to August 31, 1920)

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessles	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Northern	9,191-20		9,191-20				
No. 4 Special				8,306-50			8,306-50
No. 5		3,130-10	3,130-10				
No. 5 Special		860-50	860-50				
Total	9,191-20	3,991-00	13,182-20	8,306 50			8,306-50
Oats—							
Rej. Mix. Htd						1,407-12	1,407-12
Barley—							
No. 4 C.W						1,152-04	1,152-04
Flax—							
Rejected	2,032 47	1,048-24	3,081 15				
Mixed Grain—							
No. 4						19,500 Lbs.	19,500 Lbs.
Screenings				420,700 Lbs.			420,700 Lbs.

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT– Showing the Receipts and Shipments, by Grades, at the Grain Growers "H" Private Terminal Elevator during the Crop Year 1919-20.
(September 1, 1919, to August 31, 1920)

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Northern	5,635 10		5,635-10	13,622-10			13,622-10
No. 2 Northern	1,192,910-20		1,192,910 20	1,419,618 10	1,100-00		1,420,718-10
No. 3 Northern	2,097,346-30		2,097,346-30	3,123,481-50	159,766-40		3,283,248 30
No. 4	172,029 50		172,029 50	86,224-10		3,666 40	89,890-50
No. 4 Spec	559,427-20		559,427 20	226,123 40			226,123-40
No. 5	41,972-40		41,972-40	4,022-50			4,022-50
No. 5 Spec	131,237-10		131,237-10	44,207-10			44,207-10
No. 6	7,226-50		7,226-50				
No. 6 Spec	21,310-10		21,310-10			15,384-20	15,384-20
Feed	1,006-20		1,006-20				
Rej. No. 2 Nor	25,416-50		25,416-50				
Rej. No. 3 Nor	45,280-50		45,280-50				
Rej. No. 4	3,073 40		3,073-40				
Rej. No. 4 Spec	10,103-10		10,103-10				
Rej. No. 5 Spec	1,979-20		1,979-20				
Rej. No. 6 Spec	1,408-00		1,408-00				
Rej. No. 3 Nor. Sprtd	1,014-00		1,014-00				
Rej. No. 4 Spec. Sprtd	1,100-50		1,100-50				
Sm. No. 3 Nor	1,034-00		1,034 00				
Rej. No. 2 Nor. Mix. Rock, Cinders, Sand	54-20		54 20				
N.G. Tgh. No. 1 Nor	4,069-40		4,069-40				
N.G. Tgh. No. 2 Nor	87,552-00		87,552-00			1,402 30	1,402-30
N.G. Dp. No. 2 Nor	5,594 30		5,594 30				
N.G. Tg No. 3 Nor	330,721-30		330,721-30				
N.G. DP. No. 3 Nor	21,059-40		21,059-40				
N.G. Tgh. No. 4	4,584-30		4,584-30				
N.G. Dp. No. 4	500-40		500 40				
N.G. Tgh. No. 4 Spec	175,596-00		175,596-00				
N.G. Dp. No. 4 Spec	3,952 50		3,952 50				
N.G. Tgh. No. 5 Spec	29,107-10		29,107-10				
N.G. Dp. No. 5 Spec	2,446-30		2,446-30				
N.G. Tgh. No. 6 Spec	11,706-20		11,706-20				
N.G. Tgh. Feed	187-40		187-40				
N.G. Tgh. Rej. No. 3 Nor	9,098-00		9,098-00				
N.G. Tgh. Rej. No. 4 Spec	7,976 20	3,891 50	11,868-10				
N.G. Tgh. Rej. No. 5 Spec	1,838-10		1,838 10				
N.G. Tgh. Sm. 3 Nor	1,036 00		1,036-00				
N.G. Tgh. Rej. No. 3 Nor. Sprtd	6,430-30		6,430-30				

N.G. Tgh. Rej. No. 3 Nor. Mix Htd					4,800-00		4,800-30
Rej. Feed Mix Htd					1,085-20		1,085-20
No. 2 Durum	1,392-10		1,392 10				
No. 3 Durum	2,768-20		2,768 20				
Total	5,028,185 50	3,891 50	5,032,077 40	4,917,300 00	166,752 00	20,453 30	5,104,505 30
Oats—							
No. 2 C.W	8,241-16		8,241-16		21,705-30		21,705-30
No. 3 C.W	23,004-04		23,004 04		47,147-02	3,358-18	50,505-20
Ex. No. 1 Feed	7,536 16		7,536 16		2,000 00		2,000 00
No. 1 Feed	1,730 00		1,730 00				
No. 2 Feed	9,036 16		9,036 16		11,595 00	9,471 26	21,066-26
Rejected	55 20		55-20				
N.G. No. 2 C.W. Tgh	17,955-20		17,955-20				
N.G. No. 3 C.W. Tgh	18,022 22		18,022 22		1,804 14		1,804-14
N.G. No. 1 Feed Tgh	1,910 30		1,910 30				
N.G. No. 2 Feed Tgh	5,690-20		5,690-20		2,000-00		2,000-00
N.G. No. 2 Feed Damp	1,661-06		1,661-06				
Total	94,845 00		94,845 00		86,252 12	12,830 10	99,082 22
Barley—							
No. 3 C.W	10,576-42		10,576-42		7,011-32	3,972-04	10,983-36
No. 4 C.W	9,320-20		9,320-20		4,125-00	9,143-46	13,268-46
Feed	1,328-26		1,328-26			1,112-04	1,112-04
N.G. No. 3 C.W. Tgh	3,645 20		3,645 20				
N.G. No. 4 C.W. Tgh	1,308 16		1,308 16				
N.G. Feed Tgh	777 44		777 44				
Total	26,957 24		26,957 24		11,136 32	14,228 06	25,364 38
Rye—							
Rejected No. 2 C.W	1,452-12		1,452-12				
Mixed Grain—	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
No. 3	71,180		71,180				
No. 4	5,570		5,570				
N.G. No. 3 Tgh	64,360		64,360				
Wheat and Wild Oats	20,110		20,110				
Flax and Broken Wheat	2,020		2,020				
Total	163,240		163,240				
Screenings		202,750	202,750	8,304,330		616,640	8,920,970
Scalpings		25,510	25,510		1,320,520	388,480	1,709,000

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Merchants Private Terminal Elevator during the Crop Year 1919 20 (September 1, 1919 to August 31, 1920)

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Nor	7,510-10		7,510-10			7,841 00	7,841-00
No. 2 Nor	9,162-40		9,162-40			11,115-20	11,115-20
Dried No. Nor						8,727 10	8,727-10
No. 3 Nor	6,725-50		6,725-50			80,631-30	80,631-30
Dried No. 3 Nor						38,317-50	38,317-50
No. 4	6,619-40		6,619-40			19,865-00	19,865-00
No. 4 Special	26,042-20		26,042-20			102,800-00	102,800-00
Dried No. 4 Special						16,455 50	16,455 50
No. 5	2,239-30		2,239-30			6,367-10	6,367-10
No. 5 Special	11,161-20		11,161-20			16,262-50	16,262-50
Dried No. 5 Special						3,530-30	3,530-30
No. 6	1,037-20		1,037-20			2,691-00	2,691-00
No. 6 Special	7,434-20		7,434-20			5,509-50	5,509-50
Feed	1,063-30	12,784-30	13,848-00			3,301-00	3,301-00
Rej. No. 1 Nor	1,343-50		1,343 50				
Rej. No. 3 Nor	3,712-50		3,712-50			8,757-10	8,757-10
Rej. No. 4						1,028-20	1,028-20
Rej. No. 4 Special	4,055-50	2,740-40	6,796-30			12,015 30	12,015-30
Rej. No. 5						1,000-00	1,000-00
Rej. No. 5 Special						908 30	908-30
Rej .No. 2 Nor. Mixed Gravel	55-40	1,204-10	1,259-50			1,204-10	1,204-10
Rej. No. 2 Nor. Mixed Gravel and Cinders	12-10		12-10				
Smutty No. 3 Nor						2,581-30	2,581-30
No. Grade Tf. No. 1 Nor	2,126-00		2,126-00				
N.G. Dp. No. 1 Nor	5,417-00		5,417-00				
N.G. Tf. No. 2 Nor	1,194-00		1,194 00				
N.G. Dp. No. 2 Nor	15,000-50	995-10	15,996-00				
N.G. Tf. No. 3 Nor	21,635-20	1,255-00	22,890-20			13,742 20	13,742-20
N.G. Dp. No. 3 Nor	77,995-40		77,995 40				
N.G. Tf. No. 4	982-00		982-00			3,264-30	3,264-30
N.G. Dp. No. 4	8,398-40		8,398-40				
N.G. Tgh. No. 4 Spec	20,673-10	1,405-10	22,078-20			1,926-30	1,926-30
N.G. Dp. No. 4 Spec	63,756-10	973-10	64,729-10				
N.G. Dp. No. 5	610-40		610-40				
N.G. Tf. No. 5 Spec	7,700-20	1,019 30	8,719 50				
N.G. Dp. No. 5 Spec	16,387-00		16,387 00				
N.G. Dp. No. 6	432-10		432-10				
N.G. Tf. No. 6 Spec	3,355-30		3,355 30				
N.G. Dp. No. 6 Spec	8,342-20		8,342-20				

N.G. Tf. Feed	1,029-40		1,029-40		1,100-00	2,368-30	3,468-30
N.G. Dp. Feed	3,082-40		3,082-40				
N.G. Tf. Rej. No. 3 Nor	6,546-00		6,546-00				
N.G. Dp. Rej. No. 3 Nor	1,398 00		1,398 00				
No. G. Tf. Rej. No. 4 Spec	4,158-30		4,158-30			4,003 00	4,003-00
N.G. Dp. Rej. No. 4 Special	6,137-30		6,137-30				
N.G. Dp. Rej. No. 4	140-00		140-00				
N.G. Tf. Rej. No. 5 Spec	901-40	1,044-00	1,945-40				
N.G. Dp. Rej. No. 5 Spec	479-10		479-10				
N.G. Tf. Sm. No. 4 Spec		1,144-50	1,144-50			2,628-10	2,628-10
N.G. Tf. Rej. No. 2 Nor. Mix. Gravel	57-00		57 00				
N.G. Tf. Rej. No. 3 Nor. Sprouted	5,366-10		5,366-10				
N.G. Dp. Rej. No. 3 Nor. Sptd. Htd. Htg	970-20		970-20				
N.G. Tf. Rej. No. 4 Spec. Sprtd	1,057-40		1,057-40				
N.G. Tf. Rej. No. 4 Mix. Gravel	964 00		964-00				
N.G. Dp. Rej. No. 4 Mix. Gravel	229-10		229-10				
N.G. Tf. Rej. No. 1 Nor. Mix. Htd. Htg. Mix. Rtn. Wheat	339-40		339-40				
N.G. Tf. Rej. No. 4 Mix. Htd	1,171-40		1,171-40			1,360-50	1,360-50
N.G. Tf. Rej. Feed Mix. Htd					3,893-20		3,893-20
N.G. Tf. Rej. No. 4 Spec. Rej. Htd. Sprtd					1,100-00		1,100-00
N.G. Tf. Rej. No. 4 Mix. Htd					2,522-00		2,522-00
Rej. Feed Mix. Htd					1,266-40		1,266-40
Sample		6,468-10	6,468 10				
Total	376,212-40	31,034-10	407,246-50		9,882-00	380,205-00	390,087-00
Oats—							
No. 2 C.W	54,109-04		54,109-04		4,312-12	34,813-28	39,126-06
No. 3 C.W	52,119-14	1,846-06	53,965-20		1,941-06	17,162-12	19,103-18
Ex No. 1 Feed	24,470-00	3,874-24	28,344-24			12,793-08	12,793-08
No. 1 Feed	10,309 14	9,240 10	19,549 24		15,529 14	3,240 10	18,769 24
No. 2 Feed	21,818 08	25,347 32	47,166 06		1,941 06	35,431-10	37,372 16
Rej'd	6,005-00	3,953-18	9,958-18		1,831-26	2,152-32	3,984-24
N.G. Tf. No. 2 C. W	9,746-16	14,313-08	24,059-24			4,239-14	4,239-14
N.G. Dp. No. 2 C.W	3,612-28		3,613-28				
N.G. Tf. No. 3 C.W	14,722-32	3,645-10	18,368-08			6,106-26	6,106-26
N.G. Dp. No. 3 C.W	7,475-00		7,475 00				
N.G. Tf. Ex No. 1 Feed	5,371 26	1,974-24	7,346 16			2,310 30	2,310-30
N.G. Dp. Ex No. 1 Feed	1,970 20		1,970-20				
N.G. Tf. No. 1 Feed	9,266 06	4,378 18	13,604 24			2,212 12	2,212-12
N.G. Dp. No. 1 Feed	8,752-32		8,752 32				
N.G. Tf. No. 2 Feed	9,070-00	10,931-16	20,001-16			3,204-04	3,204-04
N.G. Dp. No. 2 Feed	22,605-11	847-32	23,453-09				
N.G. Dp. Rej	5,419-04		5,419-04				
N.G. Tf. Rej. Mix. Htd. and Htg	3,559 24		3,559 24				
Rej. Mix. Htd	1,621-16	3,668-18	5,290-00		3,882-12	2,117-22	6,000-00
Sample		11,710-00	11,710-00				
Total	271,986-17	95,732-12	367,718-29		29,438-08	125,785-04	15,223-12

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Merchants Private Terminal Elevator during the Crop Year 1919-20 (September 1, 1919 to August 31, 1920)—*Concluded*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Barley—							
No. 3 C.W.	2,706 28		2,706 28			2,950 10	2,950 10
No. 4 C.W.		2,189 28	2,189 28			21,385 24	21,385 24
Feed	4,168 16	8,144 78	12,313 06			1,187 04	1,187 04
Rej.	599–18	1,168–46	1,768–16			7,962–04	7,962–04
N.G. Tf. No. 3 C.W.	1,796 44		1,796 44				
N.G. Dp. No. 3 C.W.	2,547 27		2,547 27				
N.G. Tf. No. 4 C.W.	2,035 00	9,341 02	11,376 02				
N.G. Dp. No. 4 C.W.	2,035–40		2,035–40				
N.G. Tf. Feed	1,273 16	6,783 16	8,056 32				
N.G. Dp. Feed	1,043 46		1,043 46				
N.G. Tf. Rej.		1,055 20	1,055 20			1,857-14	1,857-14
N.G. Dp. Rej.	5,144–28		5,144–28				
Total	23,351–23	28,683–06	52,034–29			35,342–08	35,342–08
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain							
No. 1		66,260	66,260				
No. 3 Musty		16,000	16,000				
N.G. Dp. No. 2	31,490		31,490				
No. 4					330,000		330,000
N.G. Tf. No. 4		51,400	51,400			60,050	60,050
N.G. Tf. Rej. No. 4 Mix. Htd		78,400	78,400				
Wheat and Ragweed		61,920	61,920		66,000		66,000
Barley and Wild Oats		256,430	256,430				
Wild Oats and Straw ends		57,990	57,990				
Oats, Wild Oats and Straw ends		115,880	115,880				
N.G. Tf. Wheat and Wild Oats		61,860	61,860				
Sample		349,610	349,610				
Rej. No. 4 Mix. Htd					198,000		198,000
Total	31,490	1,115,750	1,147,240		594,000	60,050	654,050
Screenings	51,870		51,870		123,160	160,280	283,440
Scalpings	1,523,460	769,450	2,292,910			50,070	50,070

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Muirhead Private Terminal Elevator, during the Crop Year 1919-20
(September 1, 1919, to August 31, 1920)

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 5 Special	691-00		691-00			691-00	691-00
Oats—							
Rejected		3,495-16	3,495-16				
Rejected Mix. Htd		1,646-16	1,646-16		4,000-00		4,000-00
Cond					3,882-12	651-06	4,533-18
Total		5,141-26	5,141-26		7,882-12	651-06	8,533-18
Barley—							
No. 3 C.W	17,076-32	1,802-34	18,879-18		89,628-46	307,437-24	397,066-22
No. 4 C.W	29,074-28	5,373-06	34,447-34		4,993-46	176,446-32	181,440-30
Feed	20,025-06	3,994-38	24,019-38		9,625-06	47,814-08	57,439-08
Rejected	5,513-06	2,172-14	7,685-20		2,750-06	29,064-38	31,814-38
N.G. No. 3 C.W	48,037-14	236,513-47	284,551-11			8,265-20	8,265-20
N.G. No. 4 C.W	24,907-04	192,956-42	217,863-46				
N.G. Feed	3,966-32	45,100-40	49,067-24				
N.G. Rejected	8,055-40	17,563-46	25,619-38				
N.G. No. 4 C.W. Htg	1,319-28		1,319-28				
N.G. Feed Htg	366-02		366-02				
N.G. Rejected Htg	1,357-14		1,357-14				
N.G. Rejected Htd	1,423-16		1,423-16				
Sample		12,772-04	12,772-04				
Total	161,122-24	518,250-29	679,373-07		106,997-44	569,028-26	676,026-22
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—							
No. 3		80,820	80,820			6,080	6,080
Barley and Wild Oats		324,120	324,120				
N.C. Barley and Wild Oats	90,160		90,160				
Total	90,160	404,940	495,100			6,080	6,080
Screenings					173,660	30,430	204,090

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT- Showing the Receipts and Shipments, by Grades, at the Mutual Private Terminal Elevator, during the Crop Year 1919-20
(September 1, 1919, to August 31, 1920)

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
cat—							
No. 1 Hard	11,459-50		11,459-50				
No. 1 Northern	1,931,705-40		1,931,705-40	1,900,524-00	208,800-00		2,109,324-00
No. 2 Northern	1,089,068-00		1,089,068-00	941,845-30	122,333-20		1,164,178-50
No. 3 Northern	947,874-10		947,874-10	1,141,106-10	195,600-00		1,336,706-10
No. 4	43,816-30		43,816-30		1,566-40		1,566-40
No. 4 Special	181,912-00	924-10	182,836-10	334,237-20	19,300-00	1,333-20	354,870-40
No. 5	13,170-20		13,170-20				
No. 5 Special	55,403-10		55,403-10				
No. 6	2,376-00		2,376-00				
No. 6 Special	17,648-10		17,648-10				
Feed	2,871-50		2,871-50			27,547-30	27,547-30
Rejected No. 1 Nor	19,689-40		19,689-40	22,518-10			22,518-10
Rejected No. 2 Nor	37,318-20	2,441-20	39,759-40	31,658-00		1,132-30	32,790-30
Rejected No. 3 Nor	66,381-40	26,893-20	93,275-00	104,179-10			104,179-10
Rejected No. 4	1,335-30		1,335-30				
Rejected No. 4 Special	12,187-50	7,564-00	19,751-50		25,500-00		25,500-00
Rejected No. 5	2,519-40		2,519-40				
Rejected No. 5 Special	5,382-10	3,094-40	8,476-50			1,997-10	1,997-10
Rejected No. 3 Nor. Sprouted	3,109-10		3,109-10	69,719-10			69,719-10
Rejected No. 4 Special Sprouted	1,942-50		1,942-50				
Rejected No. 1 Nor. Mix. Gravel and Cinders	1,492-10		1,492-10				
Smutty No. 3 Northern	996-20		996-20			1,967-00	1,967-00
Smutty Rejected No. 3 Northern	1,047-00		1,047-00				
N.G. No. 1 Nor. Tgh	8,044-40	2,214-00	10,258-40				
N.G. No. 1 Nor. Damp	1,733-50		1,733-50				
N.G. No. 2 Nor. Tgh	93,025-30	46,473-30	139,499-00				
N.G. No. 2 Nor. Damp	8,023-10		8,023-10				
N.G. No. 3 Nor. Tgh	296,825-20	22,136-70	318,962-10	113,936-00	68,433-40	—20	182,369-20
N.G. No. 3 Nor. Damp	45,560-20	1,117-40	46,678-00				
N.G. No. 4 Special Tgh	115,098-00	20,726-10	135,824-10				
N.G. No. 4 Special Damp	25,803-10		25,803-10				
N.G. No. 5 Tgh	991-20		991-20				
N.G. No. 5 Special Tgh	21,502-00	10,232-40	31,734-40				
N.G. No. 5 Special Damp	4,139-00		4,139-00				
N.G. No. 6 Special Tgh	8,864-10	997-40	9,861-50				
N.G. No. 6 Special Damp	3,903-50		3,903-50				
N.G. Feed Tgh	1,720-30		1,720-30				
N.G. Feed Damp	910-30		910-30				
N.G. Rejected No. 2 Nor. Tgh	5,854-50		5,854-50				

N.G. Rejected No. 3 Nor. Tgh	36,990-50	2,034-10	39,025-00		6,233-20		6,233-20
N.G. Rejected No. 3 Nor. Damp	3,721 40		3,721 40				
N.G. Rejected No. 4 Tgh	1,242-20		1,242-20		14,666-40		14,666-40
N.G. Rejected No. 4 Special Tgh	18,921 20	10,087 20	29,008 40				
N.G. Rejected No. 4 Special Damp	1,976-30	3,702 10	5,678-40				
N.G. Rejected No. 5 Special Tgh	5,518 10		5,518 10				
N.G. Rejected No. 3 Nor. Sprouted Tgh	48,139-00	2,635-40	50,774-40				
N.G. Rejected No. 3 Nor. Sprouted Damp	909 50		909 50				
N.G. Rejected No. 4 Sprouted Tgh	6,953-30		6,953-30				
N.G. Damp Rej. No. 3 Nor. Musty Htg	547 10		547 10				
N.G. Smutty No. 3 Nor. Tgh	4,200-10		4,200-10				
N.G. Tgh. Rej. No. 3 Nor. Mix. Sand, Gravel and Cinders	1,121 20		1,121 20				
Sample		1,273 10	1,273 10				
Total	5,222,888 00	164,549 10	5,387,437 10	1,759,723 30	662,133 40	33,977-10	5,456,134-20
Oats—							
No. 2 C.W	19,206-06		19,206 06	11,692 02	17,588 08	5,165 20	34,445-50
No. 3 C.W	55,773-28		55,773-28	23,625-00	35,298-18	2,591-26	61,515-10
Ex. No. 1 Feed	9,667-02		9,667-02		9,662-32	1,941-06	11,604-04
No. 1 Feed	27,191-26		27,191-26	16,000-00	6,000-00	7,228-08	29,228-08
No. 2 Feed	16,789-04		16,789-04		3,941-06	8,898-18	12,839-24
Rejected	10,498 08		10,498 08		5,823 18	3,352-32	9,176 16
N.G. No. 2 C.W. Tgh	11,096-16		11,096-16	3,804-24	1,941-06	751-16	6,497-12
N.G. No. 2 C.W. Damp	24,152 32		24,152 32				
N.G. No. 3 C.W. Tgh	6,753 28		6,753 28	18,967 32	2,000 00		20,967-32
N.G. No. 3 C.W. Damp	5,008 00		5,008 00				
N.G. Ex. No. 1 Feed Tgh	8,065-20	1,679-08	9,744-28	4,263-18	2,000-00	3,629-04	9,892-22
N.G. No. 1 Feed Tgh	16,791-26		16,791 26	2,656 26			2,656-26
N.G. No. 1 Feed Damp	6,323 08		6,323 08				
N.G. No. 2 Feed Tgh	20,547-02		20,547-02	27,663-28		1,941-06	29,605-00
N.G. No. 2 Feed Damp	12,745 01		12,745 01				
N.G. Rejected Tgh	6,447 02		6,447 02	42,332 32	21,188 08		63,521-06
N.G. Rejected Damp	3,957 12		3,957-12				
N.G. Tgh. Rejected Mix. Htd	2,402-32		2,402-32				
Total	263,417-18	1,679-08	265,096-26	151,006-26	105,443-28	35,500-00	291,950-20
Barley—							
N.G. No. 4 C.W. Tgh		22,304 08	22,304 08			21,771-32	21,771-32
Rye—							
Rejected No. 2 C.W	388 46		388 46				
N.G. Rejected No. 2 C.W. Tgh	92-18		92 18				
Total	481-08		481-08				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Mutual Private Terminal Elevator, during the Crop Year 1919-20 (September 1, 1919 to August 31, 1920)—*Concluded*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—							
No. 1	57,190	.....	57,190	.....	.....	.....	.....
No. 3	.....	55,250	55,250	.....	.....	.....	.....
Rye and Wheat	98,437	.....	98,437	.....	.....	.....	.....
Flax and Broken Wheat	570	.....	570	.....	46,000	.....	46,000
N.G. No. 3	75,210	.....	75,210	.....	.....	.....	.....
N.G. Wild Oats, Wheat and Barley	.....	55,810	55,810	.....	.....	.....	.....
Total	231,407	111,060	342,467	.....	46,000	.....	46,000
Screenings	.....	.....	.....	.....	2,979,400	130,400	3,109,800
Scalpings	237,580	.....	237,580	68,000	1,549,600	280,000	1,897,600
Standard Stock Food	.....	.....	.....	.....	198,000	200,000	398,000

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the National Private Terminal Elevator during the Crop Year 1919-20 (September 1st, 1919 to August 31st, 1920)

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Northern	3,846-30		3,846 30			3,299-50	3,299-50
No. 2 Northern	26,661-30		26,661 30			38,104-40	38,104-40
No. 3 Northern	235,235-10		235,235-10		51,243-30	364,632-20	415,875-50
No. 4	7,964-50		7,964 50			15,928-20	15,928-20
No. 4 Special	34,690-00		34,690-00			15,334-10	15,334-10
No. 5	10,171-50		10,171-50			7,334-20	7,334-20
No. 5 Special	19,419-10		19,419-10			11,227 30	11,227-30
No. 6	2,575-30		2,575-30				
No. 6 Special	5,044-40		5,044-40				
Feed		952 50	952 50			18,894 10	18,894-10
Rejected No. 1 Northern	1,863-30		1,863-30				
Rejected No. 2 Northern	7,908-00		7,908 00			5,827-00	5,827-00
Rejected No. 3 Northern	15,236 50		15,236-50			13,129 40	13,129-40
Rejected No. 4	2,068-20		2,068 20			16,090 40	16,090-40
Rejected No. 4 Special	4,322-30	12,727-50	17,050-20				
Rejected No. 3 Northern Sprouted	1,092-30	1,312-50	2,405-20				
Smutty No. 2 Northern	1,078 20	3,391-20	4,469-40				
Smutty No. 3 Northern	1,025-30	7,152-20	8,177-50			45,598 00	45,598-00
Smutty No. 4	702 50	2,215-30	2,918 20			5,204 50	5,204-50
Smutty No. 4 Special		2,091-10	2,091-10				
Smutty No. 5	705-40		705-40				
Smutty Rejected No. 3 Northern	2,002-30	3,162-10	5,164-40			1,082-30	1,082-30
N.G. No. 1 Northern Tgh	2,215-10		2,215-10		1,069-20	1,499-20	2,568-40
N.G. No. 1 Northern Damp	9,487-30		9,487-30				
N.G. No. 2 Northern Tgh	39,899 50		39,899 50		16,462-40	50,209-40	66,672-20
N.G. No. 2 Northern Damp	37,982-30	534-40	38,517 10				
N.G. No. 3 Northern Tgh	249,769 50		249,769-50		39,634-10	313,723-50	353,358-00
N.G. No. 3 Northern Damp	92,191-30	1,390-50	93 582-20				
N.G. No. 4 Tgh	4,228-30		4,228 30			20,749-10	20,749-10
N.G. No. 4 Damp	2,637-00		2,637 00				
N.G. No. 4 Special Tgh	155,286-30		155,286 30		7,548-20	209,332-20	216,880-40
N.G. No. 4 Special Damp	83,056-40		83,056 40				
N.G. No. 5 Tgh	5,020-40		5,020-40			2,284-30	2,284-30
N.G. No. 5 Damp	941-40		941 40				
N.G. No. 5 Special Tgh	18,304-20		18,304-20		1,100-00	29,780-10	30,880-10
N.G. No. 5 Special Damp	29,600-00		29,600-00				
N.G. Tgh. No. 6	1,086-10		1,086 10				
N.G. No. 6 Damp	1,340-10		1,340-10				
N.G. No. 6 Special Tgh	5,477-30		5,477-30			4,418-20	4,418-20

BOARD OF GRAIN COMMISSIONERS FOR CANADA

Statement—Showing the Receipts and Shipments, by Grades, at the Grain Growers "H" Private Terminal Elevator during the Crop Year 1919-20
(September 1, 1919, to August 31, 1920)

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
N.G. No. 6 Special Damp	8,275-20		8,275-20				
N.G. Feed Tgh	2,036-50		2,036-50			14,041-50	14,041-50
N.G. Feed Damp	1,011-00		1,011-00				
N.G. Rejected No. 2 Northern Tgh		1,983 50	1,983-50			893-30	893-30
N.G. Rejected No. 3 Northern Tgh	30,037-30	2,152-50	32,190-20		3,973-30	35,481-20	39,454-50
N.G. Rejected No. 3 Northern Damp	4,992-40	1,084-30	6,077-10			19,134-40	19,134-40
N.G. Rejected No. 4 Tgh						8,461-30	8,461-30
N.G. Rejected No. 4 Special Tgh	17,239-40	10,381-00	27,620-40			11,192-30	11,192-30
N.G. Rejected No. 4 Special Damp	5,938-10		5,938 10				
N.G. Rejected No. 5 Damp	1,025-30		1,025 30				
N.G. Rejected No. 5 Special Tgh	5,174-00	6,110-00	11284 00			4,786-40	4,786-40
N.G. Smutty No. 2 Nor. Tgh	1,003-00	2,388-20	3,391 20				
N.G. Smutty No. 3 Nor. Tgh	6,291-00	6,220-10	12,511-10			7,968-40	7,968-40
N.G. Smutty No. 3 Nor. Damp	2,497-50		2,497-50				
N.G. Smutty No. 4 Tgh	1,475-20	1,430-40	2,906-00				
N.G. Smutty No. 4 Special Tgh	3,052-40	7,080-00	10,132-40				
N.G. Smutty Rejected No. 3 Nor. Tgh	1,148-00	999-20	2,147-20				
N.G. Smutty Rejected No. 4 Special Tgh	5,097-10		5,097-10				
N.G. Smutty Rejected No. 4 Tgh		1,005-40	1,005-40				
N.G. Smutty Rejected No. 3 Nor. Sprouted	1,014-20		1,014-20				
N.G. Smutty Rejected No. 2 Nor. Tgh. mix Htd		1,084-20	1,084-20				
N.G. Smutty Rejected No. 4 Tgh. mix Htd		725-50	725-50				
N.G. Rejected No. 3 Nor. Tgh. Sprouted	37,073-50		37,073 50				
N.G. Rejected No. 4 Special Tgh, Sprouted	5,225-00		5,225-00				
N.G. Rejected No. 3 Nor. Tgh. Rej. Sprouted	950-40	5,204-40	6,155-20				
N.G. Rejected No. 5 Special Tgh		1,140-00	1,140-00				
N.G. Rejected No. 2 Nor. Tgh. mix Htd	444-30		444 30				
N.G. Rejected No. 3 Nor. Tgh. mix Htd	1,968-40	2,734-20	4,703 00			1,416-00	1,416-00
N.G. Rejected No. 3 Nor. Tgh. mix htg htd	1,162-20		1,162-20				
N.G. Rejected No. 4 Special Tgh, htd	314-00		314-00				
N.G. Rejected No. 4 Damp mix htd. htd	434-00		434-00				
N.G. Rejected No. 4 Tgh. mix htg						736-10	736-10
N.G. Rejected No. 1 Nor. Tgh Mix Gravel	656-10		656-10				
N.G. Rejected No. 3 Nor. Tgh. mix Gravel		1,340-50	1,340-50				
N.G. Rejected No. 3 Nor. Damp mix Gravel and Cndr	123-50		123 50				
N.G. Rejected No. 3 Nor. Tgh. mix cinders sticks & Snow	948-20		948-20				
N.G. Damp Cond. No. 4 Rotten mix seeds	194-30		194-30			198-20	198-20
Rejected No. 1 Nor. Mix Hrd		490-40	490 40				
Rejected No. 1 Nor. Mix Cinders		1,059-40	1,059-40			2,972-40	2,972-40

Rejected No. 2 Nor. Mix Htd.	711-10		711-10				
Rejected No. 3 Nor. Mix Cinders		2,081-30	2,081-30				
Rejected No. 1 Nor. Mix Sand and Gravel		1,107-00	1,107-00				
Rejected No. 4 Special Mix Gravel	1,820-00		1,820-00				
Cond. No. 1 Northern	744-40	718-30	1,463-10				
Cond. No. 1 Northern Htd		1,256-10	1,256-10				
No. 2 Durum	1,312-10		1,312-10				
No. 3 Durum	1,068-30		1,068-30				
Sample		7,153-30	7,153-30				
Total	1,274,603-30	101,864-50	1,376,468-20		121,031-30	1,300,969-10	1,422,000-40
Oats—							
No. 2 C.W.	50,638-28		50,638-28		40,454-24	10,532-02	50,986-26
No. 3 C.W.	149,776-26		149,776-26		74,992-32	15,310-10	90,303-08
Ex. No. 1 Feed	3,966-16		3,966-16				
No. 1 Feed	41,049-24		41,049-24		28,726-16		28,726-16
No. 2 Feed	132,718-18		132,718-18		124,162-02	54,905-00	179,067-02
Rejected	11,287-22		11,287-22		28,393-08	37,277-32	65,671-06
N.G. No. 2 C.W. Tgh	99,069-04	4,150-30	103,220-00		7,662-12	3,731-16	11,393-28
N.G. No. 2 C.W. Damp	4,466-06		4,466-06				
N.G. No. 3 C.W. Tgh	170,558-02	1,787-02	172,345-04		3,815-20	10,208-08	14,023-28
N.G. No. 3 C.W. Damp	22,639-04		22,639-04				
N.G. Ex. No. 1 Feed Tgh	2,017-02	2,332-32	4,350-00				
N.G. No. 1 Feed Tgh	36,730-00	1,761-26	38,491-26			9,711-16	9,711-16
N.G. No. 1 Feed Damp	10,567-32		10,567-32				
N.G. No. 2 Feed Tgh	135,044-12	1,848-08	136,892-20		39,630-20	150,661-24	190,292-10
N.G. No. 2 Feed Damp	71,220-14		71,220-14				
N.G. Rejected Tgh	5,313-08		5,313-08				
N.G. Rejected Damp	14,201-26	1,978-28	16,180-20			12,160-30	12,160-30
N.G. Tgh. No. 3 C.W. Htg	4,133-30		4,133-30				
N.G. Tgh. No. 2 Feed Htg	3,843-28		3,843-28				
N.G. Tgh. Rejected Mix Htd	10,732-22		10,732-22				
N.G. Damp Rejected Mix Htd. Htg	9,093-28		9,093-28				
N.G. Damp Cond. Htd	220-30		220-30				
N.G. Damp Cond. Htd. Htg	5,355-10		5,355-10				
Rejected Mix Htd	3,544-24	7,735-10	11,280-00			1,701-16	1,701-16
Rejected Mix Gravel		1,678-28	1,678-28				
Rejected Mix Sand and Gravel		1,385-00	1,385-00				
Cond		2,290-30	2,290-30			1,322-32	1,322-32
Total	998,190-08	26,949-24	1,025,139-32		347,837-32	307,523-16	655,361-14
Barley—							
No. 3 C.W.	100,138-16		100,138-16			326,792-44	326,792-44
No. 4 C.W.	79,971-32		79,971-32		6,408-36	200,777-14	207,186-02
Feed	56,866-36	1,949-28	58,816-16		27,569-18	81,324-36	108,894-06
Rejected	37,275-00	12,685-32	49,960-32			58,105-40	58,105-40
N.G. No. 3 C.W. Tgh	146,520-10	25,846-32	172,366-42			11,937-04	11,937-04
N.G. No. 3 C.W. Damp	15,536-22		15,536-22				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the National Private Terminal Elevator during the Crop Year 1919-20 (September 1st, 1919, to August 31st, 1920)—*Concluded.*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
N.G. No. 4 C.W. Tgh	93,999-38	30,147-14	124,147-04			24,924 34	24,924-34
N.G. No. 4 C.W. Damp	20,216-32		20,216 32				
N.G. Feed Tgh	34,765-40	13,612-04	48,377 44		2,500-00	27,289-38	29,789-38
N.G. Feed Damp	7,493 36		7,493 36				
N.G. Rejected Tgh	42,688-36	12,409-18	55,098 06			6,353-46	6,353-46
N.G. Rejected Damp	5,233-16		5,233 16				
N.G. Tgh. Feed Htg	367-14		367-14				
N.G. Tgh. Rejected Htd	195 30		195 30				
N.G. Tgh. Rejected Htd. Htg	431-02		431-02				
Rejected Mix Gravel	1,367-44		1,367-44				
Rejected Mix Sand and Gravel	913-46		913-46				
Rejected Mix Coal and Gravel		1,283 46	1,283-46				
Sample		1,645 30	1,645 30				
N.G. Damp Feed Musty		1,398-26	1,398-26				
Total	643,982-18	100,978-38	744,961-08		36,478 06	737,506-16	773,984-22
Flax—							
No. 1 N.W.C		2,572-08	2,572 08		2,497-28		2,497-28
No. 2 C.W	5-07		5-07			5-10	5-10
N.G. Tgh. 1 N.W.C	1,055-29		1,055 29		991-43		991-43
N.G. Damp No. 2 C.W	8-35		8-35			8-35	8-35
Total	1,069-15	2,572-08	3,641-23		3,489-15	13-45	3,503-04
Rye—							
No. 2 C.W	616-44		616-44				
Rejected No. 2 C.W	72-38		72-38			72-38	72-38
Total	689-26		689-26			72-38	72-38
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—							
No. 1	94,990		94,990				
No. 2	75,730		75,730				
No. 3	1,014,090	344,200	1,358,290				
No. 4	144,340	41,450	185,790				
N.G. No. 1 Tgh	86,110		86,110				

N.G. No. 2 Tgh	209,100		209,100				
N.G. No. 3 Tgh	1,410,230	74,000	1,484,230				
N.G. No. 4 Tgh	761,390	59,650	821,040		66,000		66,000
N.G. Tgh. Rejected No. 3	55,480		55,480				
N.G. Tgh. Rejected No. 3 Mix Htd	10,810		10,810				
Oats and Wild Oats	147,170		147,170				
Barley and Wild Oats	163,160	80,680	243,840				
Rye and Wheat	61,580	153,210	214,790			61,580	61,580
Rye, Barley and Wild Oats	34,180		34,180				
Wheat, Rye and Barley					59,400	58,080	117,480
Wheat, Barley, Rye, Oats				(Minus	58,080		58,080
N.G. Tgh. Barley and Rye	50,160		50,160				
N.G. Tgh. Oats and Wild Oats	60,960		60,960				
N.G. Tgh. Barley and Wild Oats	109,430		109,430				
Wild Oats and Seeds	18,800		18,800				
Flax and Broken Wheat	1,330		1,330				
Rej. Mix Gravel		123,570	123,670				
N.G. Tgh. Rej. No. 1 Mix .Coal, Gravel, Sticks		85,080	85,080				
N.G. Tgh. Rej. No. 3 Mix. Htd. and Fireburnt					180,000		180,000
Rej. Mix. Htd. Wheat, Rye and Barley					6,440		6,440
Rej. Mix. Htd					202,040		202,040
No. 3 Mixed Coal and Cinders						84,180	84,180
Sample		365,940	365,940		233,320	67,020	300,340
Total	4,509,040	1,327,780	5,836,820		689,120	270,860	959,980
Screenings	146,965		146,965		375,270	1,618,520	1,993,790
Scalpings	888,590	3,240,240	4,128,830		555,870	205,950	761,820
Standard Stock Food					112,870	212,620	325,490

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Total Net Receipts and Shipments of each kind of Grain, by grades, at Paterson's Elevators "K" & "O" during the Crop Year 1919-20

Grade	Receipts from West	Transfers	Transfers by Vessel	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—								
No. 1 Nor	324,930-10			324,930 10	292,610-10	25,100 00	13,789-20	331,529-30
No. 2 Nor	293,534-30	1,859 30	87,428 36	382,822 30	523,163 40	17,566 40	5,134-40	545,865 00
Dried No. 2 Nor			1,566 00	1,566 00				
No. 3 Nor	991,227-30	1,161 50	259,021-50	1,251,411 10	2,445,871 50	165,333 20	8,186-20	2,619,391 30
No. 4	109,475 50	2,912-10	100,412 00	212,800 00	327,378 40		13,294-00	340,672 40
No. 4 Special	437,162-10	48,264 50	486,272 10	971,699 10	770,515 30	20,933 20	102,205 40	893,654-30
No. 5	40,655 50	25,503 40	268,611 00	334,770 30	289,173 30			289,173-30
No. 5 Special	72,290 50	29,519 00	80,618-40	182,626 30		2,900 00	29,201-30	32,101-30
No. 6	430 00	2,362 20	69,801 10	72,593 30				
No. 6 Special	22,166-20	9,022-10	42,832-30	74,021-00				
Feed	6,310-10	3,052 00	63,656 50	73,019 00				
Rejected No. 1 Nor	57,323-50	3,526-20	10,539 40	71,389 50	30,431-40		9,930 30	40,362-10
Rejected No. 2 Nor	55,230 00	1,460-40	44,862 40	101,553 20			4,096-50	4,096-50
Rejected No. 3 Nor	124,896-30		129,340 00	254,236 30	467,577-50		9,179 30	476,757-20
Rejected No. 4	8,457-40		8,003 20	16,461 00	37,000 00			37,000-00
Rejected No. 4 Special	25,196 20	11,433-50	35,408-10	72,038-20	151,153-40		3,907-00	135,060-40
Rejected No. 5	1,215-20	6,249-10	4,941 40	12,406-10			9,743-00	9,743-00
Rejected No. 5 Special	5,777-10	37,559-00	11,178-10	54,514-20			43,438-40	43,438-40
Rejected No. 1 Nor. Mix. Gravel							2,451-40	2,451-40
Rejected No. 3 Nor. Mix. Gravel	885-00			885 00				
Rejected No. 3 Nor. Mix. Cinders			362-10	362-10				
Rejected No. 3 Nor. Sprouted	704-10		9,089-50	9,794-00				
Rejected No. 3 Nor. Fireburnt			156 20	156-20				
Rejected No. 4 Special Sprouted	1,024-10		1,799-30	2,823-40				
Rejected No. 5 Sprouted			388-30	388-30				
Smutty No. 1 Nor		4,572-40	3,057-10	7,629 50				
Smutty No. 2 Nor	1,881-30	4,650-20	9,708-30	16,240 20				
Smutty No. 3 Nor	4,203-40	6,436 30	41,398-50	52,039-00	224,781-20		8,236-50	233,018-10
Smutty No. 4		3,731-10	13,439-00	17,170-10				
Smutty No. 4 Special	68-40	2,949 00	2,254 50	5,272 30				
Smutty No. 5			4,896-20	4,896-20				
Smutty No. 6		810 20	526-10	1,336 30				
Smutty Rej. No. 2 Nor		1,287-30	2,122-40	3,410-10				
Smutty Rej. No 3 Nor	484-30		8,633-50	9,118-20				
Smutty Rej. No. 4			218-30	218-30				
Smutty Rej .No. 4 Special	1,028-20	1,021-10	2,262 10	4,311-40				
Smutty Rej. No. 5 Special		1,165-20	223-20	1,388-40			9,100-00	9,100-00
No. Grade Tgh. No. 1 Nor	4,555-40	6,705-50	2,417 00	13,678 30			1,231-00	1,231-00
No. Grade Dp. No. 1 Nor	1,116-20			1,116-20				
No. Grade Tgh. No. 2 Nor	33,815-50	50,771 30	46,900 00	131,487-20			21,867-30	21,867-30

No Grade Dp. No. 2 Nor	8,509-10			8,509-10				
No Grade Tgh. No. 3 Nor	343,245-00	80,916-10	283,859-00	708,020-10		15,033-20	125,048-00	140,081-20
No Grade Dp. No. 3 Nor	43,850-40			43,850-00				
No Grade Tgh. No. 4	4,235-00	2,582 30	46,585-00	53,402-30				
No Grade Dp. No. 4	1,654-00			1,654-00				
No Grade Tgh. No. 4 Special	105,647-20	23,415-30		129,062-50				
No Grade Dp. No. 4 Special	12,586 00		99,440-40	112,026-40				
N.G. Tgh. No. 5	599 10	5,416-20	20,174-00	26,189-30				
N.G. Tgh No. 5 Spec	29,283-40	960-20	15,629-30	45,873-30				
N.G. Dp. No. 5 Spec	4,128-00			4,128-00				
N.G. Tgh. No 6	31-20	2,420-40	3,862-30	6,314-30				
N.G. Tgh. No. 6 Spec	4,892-20		5,634-10	10,526-30				
N.G. Tgh. Feed	1,352-00	15,488-00	5,024-00	21,864-00				
N.G. Wet Feed	1,138-50			1,139-50				
N.G. Dp. 3 Nor. Musty	691-10			691-10				
N.G. Tgh. No. 4 Musty			156-50	156-50				
N.G. Tgh. Rej. No. 1 Nor	1,216-40		968-40	2,185-20				
N.G. Tgh. Rej. No. 2 Nor	979-20	1,014-00	5,443 20	7,436-40				
N.G. Tgh. Rej. No. 3 Nor	42,611-10	5,821 40	51,984-00	100,416-50			34,582-40	34,582-40
N.G. Dp. Rej. No. 3 Nor	4,284-30			4,284-30				
N.G. Tgh. Rej. No. 4	1,030-40		1,428-00	2,458-40				
N.G. Tgh. Rej. No. 4 Spec	30,262-50	1,099 10	47,296-40	78,658-40			6,483-20	6,483-20
N.G. Dp. Rej. No. 4	2,711 50			2,711 50				
N.G. Tgh. Rej. No. 5	2,340 10			2,340 10				
N.G. Tgh. Rej. No. 5 Spec	2,201-50	2,311-50	5,029-10	9,542-50				
N.G. Tgh Rej. No. 6 Spec		1,403-10		1,403-10				
N.G. Tgh. Rej. No. 3 Nor. Mix. Coal	984-10			984 10				
N.G. Tgh. Rej. No. 3 Nor. Mix. Coal Grvl			32 30	32 30				
N.G. Tgh. Rej. No. 3 Nor. Sprtd	18,902-40			18,902-40				
N.G. Dp. Rej. No. 3 Nor. Sprtd	1,377-10		3,927-40	5,304-50				
N.G. Tgh. Rej. No. 4 Spec. Sprtd	13,969-10		3,334-00	17,303-10				
N.G. Tgh Smutty No. 1 Nor							1,104-20	1,104-20
N.G. Tgh. Smutty No. 2 Nor		2,405 40	3,812 40	6,218-20				
N.G. Tgh. Smutty No. 3 Nor	8,594-20	24,109-50	34,355 20	67,059-30				
N.G. Tgh. Smutty No. 4	554-20	1,348-50	5,061-20	6,964-30				
N.G. Tgh. Smutty No. 4 Spec			8,245 00	8,245-00				
N.G. Dp. Smutty No. 4 Spec	919 20			919-20				
N.G. Tgh. Smutty No. 5		1,343-20	813 20	2,156 40				
N.G. Tgh. Smutty No. 5 Spc			981-50	981-50				
N.G. Tgh. Smutty No. 6			3,768-40	3,768-40				
N.G. Tgh. Smutty Rej. No. 3 Nor		1,994-20	9,804-50	11,799-10				
N.G. Tgh. Smutty Rej. No. 4 Spec		888-40	671-20	1,560-00				
N.G. Tgh Rej. No. 2 Nor. Mix. Htd			3,218-00	3,218-00				
N.G. Tgh. Rej. No. 3 Nor. Mix. Htd	1,283-40		3,401-00	4,684-40				
N.G. Dp. Rej. No. 3 Nor. Mix. Htd	1,957-50			1,957-50				
N.G. Tgh. Rej. No. 3 Nor. Mix. Htd. Htg	342-40		2,027-20	2,370 00				
N.G. Tgh. Rej No. 4 Mix. Htd. Htg			1,745 20	1,745 20				
N.G. Tgh. Rej. No. 4 Spec. Mix. Htd	1,362-20		2,058 10	3,420 30				
N.G. Tgh Rej. No. 5 Mix. Htd		1,285-00	566-30	1,851-30				
N.G. Tgh. Rej. No. 3 Nor. Rej. Mix. Htd			2,003-00	2,003-00				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Total Net Receipts and Shipments of each kind of Grain, by Grades, at Paterson's Elevators "K" and "O" during the Crop Year 1919-20—*Continued*

Grade	Receipts from West	Transfers	Transfers by Vessel	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—Concluded								
N.G. Tgh. Rej. No. 4 Spec. Htd. and Htg	906-20			906-20				
N.G. Tgh. Rej. No. 5 Mix. Htd. and Htg			950-50	950-50				
N.G. Tgh. Cond. No. 1 Mix. Htd			674-20	674-20				
N.G. Tgh. Cond. Htd. and Htg	369-00			369-00				
N.G. Tgh. Feed Htg	456-10			456-10				
Rej. No. 1 Nor. Mix. Htd			2,789-00	2,789-00				
Rej. No. 2 Nor. Mix. Htd			6,403 10	6,403-10				
Rej. No. 3 Nor. Mix. Htd	912-40	3,403-30	14,416 50	18,733 00	50,000-00			50,000-00
Rej. No. 4 Mix. Htd			7,730-20	7,730 20				
Rej. No. 4 Spec. Mix. Htd			493-00	493-00				
Rej. No. 5 Mix. Htd		1,499-10	1,052 30	2,551-40				
Rej. No. 6 Mix. Htd			1,449 00	1,449-00				
Rej. No. 3 Nor. Rej. Mix. Htd			248 30	248-30				
Rej. No. 3 Sprtd. Mix. Htd		1,124-20	1,104-00	2,228-20				
Condemned No. 1			3,271-40	3,271-40				
Condemned No. 2			16 00	16 00				
Condemned No. 1 Htd			733 00	733 00				
Condemned No. 2 Htd			953-50	953 50				
Sample		18,243-50		18,243 50				
No. 1 A.R.W		1,039-00		1,039 00				
No. 2 A.R.W		993 00		993-00				
No. 1 Durum	3,131-30		103-20	3,234-50		1,221-10		1,221-10
No. 2 Durum	1,320-10	1,378 00	3,720 20	6,418-30	16,428-10			16,428-10
No. 3	1,290-40	2,633-40	6,033-40	9*958-00				
Spring and Durum			2,505-40	2,505-40				
Rej. No. 2 Durum	1,136-50		1,026-10	2,163-00				
Rej. No. 3 Durum	1,505-00		627-10	2,132-10				
Rej. Spring and Durum			125-20	125-20				
No. Grade Tgh. No. 3 Durum	252-00			252 00				
No. Grade Tgh. Reg. No. 3 Durum			912-20	912-20				
Total	3,337,058-40	474,527-20	2,594,230-10	6,405-816-10	5,626,116-00	268,087-50	462,212-20	6,366,416-10
Oats—								
No. 2 C.W	97,399 14	3,729-24		101,129 04		121,805 10	51,626 26	173,432-02
Dried No. 2 C.W						4,147-02		4,147-02
No. 3 C.W	171,855-20	20,500 20	1,254 14	193,610-20		138,046-06	146,876 26	284,922 32
Ex No. 1 Feed			327-32	327-32			5,673-18	5,673-18
No. 1 Feed	18,802-22	11,305-00		30,107-22		19,378-18		19,378-18

No. 2 Feed	221,331-22	52,029 14	21,000-00	294,361-02	143,153-08	263,727-22	166,302-32	573,183-28
Rej	17,647-02	14,579-24	2,140 16	34,367 08				
No Grade Tgh. No. 2 C.W	81,665 20	20,622 02	952-22	103,240 10		20,140 00		20,140-00
No Grade Dp. No. 2 C.W	4,151-16			4,151 16				
No Grade Tgh. No. 3 C.W	194,884 08	22,232-22		217,116-30		32,522-22		32,522-22
No Grade Dp. No. 3 C.W	12,433-18			12,433-18				
No Grade Tgh. Ex No. 1 Fd	4,030-30	4,057-22		8,038-13				
No Grade Tgh. No. 1 Feed	8,064-04			8,064-04		3,882-12		3,882-12
No Grade Dp. No. 1 Feed	872 02			872 02				
No Grade Tgh. No. 2 Feed	62,085-20	33,326-26		95,412-12		8,117-22	3,941-06	12,058-28
No Grade Dp. No. 2 Feed	10,983-08			10,983-08				
No Grade Tgh. Rej'd	16,624-24		2,178-18	18,803-08				
No Grade Tgh. Cond. Htd. and Htg	3,330-00			3,330-00				
No Grade Tgh. Mix. Htd		3,856-06		3,856-06				
Rej. Mix. Htd	6,264-14	4,891-06	2,846-30	14,002-16				
Rej. No. 3 C.W. Musty	613-28			613 28				
Rej. No. 1 Fd. Htd. Mic. Cinders			1,256-16	1,256-16				
Rej. No. 2 Fd. Mix. Gravel			716-26	716-26				
N.G. Tgh. Rej. Mix. Fireburnt	2,116-16			2,116-16			2,116-16	2,116-16
Condemned					36,100-00		2,810-30	38,910-30
Sample		15,293-18		15,293-18		4,235-10		4,235-10
Total	935,156-16	206,424-14	32,764-04	1,174,255 00	179,253 08	616,002 22	379,348-18	1,174,604-14
Barley—								
No. 3 C.W	80,507-16		5,000-00	85,507-16	4,615-000	25,125-10	75,255-10	104,995-20
Dried No. 3 C.W			1,267 24	1,267 24			4,647 14	4,647 14
No. 4 C.W	156,168 03	5,746 02	3,004 28	164,918 33	65,237 14	37,735 20	219,591 46	322,564 32
Feed	94,822-32	37 275 30	14,997 34	147,096 00	54,370 30	65,884 28	107,659 28	227,914 36
Rejd'	74,181-24	8,341-02	9,457-28	91,980-06		28,739-18	16,985-40	45,725-10
N.G. Tgh. No. 3 C.W	77,634 10	7,814 18	206 02	85,654 30				
N.G. Dp. No. 3 C.W	5,927-24			5,927-24				
N.G. Tgh. No. 4 C.W	51,501-40	15,274-08	3,095-13	69,871-13		16,166-32		16,166-32
N.G. Dp. No. 4 C.W	1,527 14			1,527-14				
N.G. Wet No. 4 C.W	1,215-30			1,215-30				
N.G. Tgh. Feed	30,436-02			30,436-02		7,166-32		7,166-32
N.G. Tgh. Rej	17,010 14		2,732 04	19,742 18				
N.G. Tgh. Rej. Feed Sprouted	518-36			518 36				
N.G. Tgh. Cond. Mix. Htd. and Htg	866-02			866-02				
Rej. No. 4 C.W. Musty	1,281-24			1,281-24				
Rej. Mix. Htd	2,589-38		311-16	2,901-06		1,226-42		1,226-42
Rej. Mix. Gravel			1,381 32	1,381-32				
Sample		3,749 28		3,749 28				
Total	596,188 21	78,200 40	41,453 37	712,762 30	124,222 44	182,044 36	424,139 42	730,407-26

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Total Net Receipts and Shipments of each kind of Grain, by Grades, at Paterson's Elevators "K" and "O" during the Crop Year 1919-20—*Concluded*

Grade	Receipts from West	Transfers	Transfers by Vessel	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Flax—								
No. 1 N.W.C.	2,096-43			2,096-43			2,168-21	2,168-21
No. 2 C.W.	175-22			175-22			57-27	57-27
No. 3 C.W.	61-23			61-23			3-15	3-15
Rej.	57-51			57-51				
N.G. Tgh. No. 2 C.W.	37-47			37-47			21-47	21-47
Total	2,429-18			2,429-18			2,250-54	2,250-54
Rye—								
No. 2 C.W.	20,826-43			20,826-43	13,663-44	4,973-12	15,059-00	33,696-00
No. 3 C.W.	1,505-00			1,505-00				
Rej.	1,716-24			1,716-24		2,653-02		2,653-02
Rej. No. 2 C.W.	5,715-54			5,715-54				
Rej. Mix. Ergot	1,581-44			1,581-44				
N.G. Tgh. No. 2 C.W.	613-26			613-26				
N.G. Tgh. Rej. No. 2 C.W.	350-20			350-20				
Total	32,309-43			32,309-43	13,663-44	7,626-14	15,059-00	36,349-02
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—								
No. 1	55,040			55,040				
No. 3	364,020			364,020				
No. 4	153,860	68,470		222,330		269,200	68,560	337,760
N.G. Tgh. No. 2	12,450			12,450				
N.G. Tgh. No. 3	50,370			50,370				
N.G. Tgh. No. 4	45,700			45,700				
Rej. No. 2 Mix. Htd.						210,000		210,000
Oats and Barley						138,000		138,000
Rej. Wheat, Oats and Barley						66,000		66,000
Wheat and Ragweed	30,590			30,590				
Durum and Rye	52,640			52,640				
Rej. Flax and Broken Wheat	3,098			3,098				
N.G. Dp. Smutty Wheat and Wild Oats	60,500			60,500				
Sample		339,010		339,010				
Total	828,268	407,480		1,235,748		683,200	68,560	751,760

APPENDIX No. 3

Screenings	.....	134,690	.....	134,690	1,358,260	1,517,410	.....	2,875,670
Scalpings	992,160	592,520	.....	1,584,680	.....	937,120	136,100	1,073,220
Standard Stock Food	.....	.....	.....	.....	.....	80,000	120,000	200,000

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments—by Grades—at the Roy Private Terminal Elevator during the Crop Year 1919-20 (September 1st, 1919 to August 31st, 1920).

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
N. G. No. 4 Tgh	.....	.....	.....	.....	.....	396-40	396-40
	Net lbs.	Net lbs.	Net lbs.	Net lbs.	Net lbs.	Net lbs.	Net lbs.
Mixed Grain—							
N. G. No. 3 Musty Tgh	.....	.....	.....	.....	.....	17,610	17,610
Screenings	.....	.....	.....	.....	103,250	.....	103,250

BOARD OF GRAIN COMMISSIONERS FOR CANADA.

STATEMENT.—Showing the Receipts and Shipments, by Grades, at the Thunder Bay Private Terminal Elevator during the Crop Year 1919-20. (September 1st, 1919 to August 31st, 1920).

Grade	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Northern	4,227-30		4,227-30				
No. 2 Northern	2,084-20		2,084-20	27,589-00			27,589-00
No. 3 Northern				12,000-00			12,000-00
Rej. No. 1 Northern	4,610-20		4,610-20				
Condemned No. 1						273-40	273-40
Total	10,922-10		10,922-10	39,589-00		273-40	39,862-40
		nil		nil		nil	
Barley—							
No. 3 C. W	3,370-30		3,370-30				
Flax—							
No. 3 C. W		2,078-03	2,078-03				
Rye—							
No. 1 C. W	1,054-16		1,054-16	1,054-16			1,054-16

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Western "G" Private Terminal Elevator during the Crop Year 1919-20
(September 1, 1919, to August 31, 1920)

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
Wheat—	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Dried No. 1 Northern	1,434 50		1,434 50				
No. 2 Northern	3,399 30		3,399 30			1,087-30	1,087-30
No. 3 Northern	507,267-10	70,623-40	577,890 50	859,542 30	240,070 50	178,887-50	1,278,501-10
Dried No. 3 Northern		4,867-50	4,867 50				
No. 4	9,004 20	1,962-50	10,967 10	166,849-40		10,666-20	177,516 00
No. 4 Special	96,875-00	248,664 10	345,539-10	125,490 20	126,066-40	92,252-20	343,809-20
No. 5	11,921-10	7,515 40	19,436 50				
No. 5 Special	25,462-40	99,697-10	125,159 50				
No. 6	570-10		570-10			78-20	78-20
No. 6 Special	4,421-10	30,777-40	35,198-50				
Feed	2,767-10		2,767 10				
Rejected No. 1 Nor		2,205-20	2,205-20				
Rejected No. 2 Nor	3,009 20	26,829-30	29,838 50				
Rejected No. 3 Nor	14,050-30	6,687-30	20,738-00	158,548-50			158,548-50
Rejected No. 4	1,083-30	4,958-00	6,041-30				
Rejected No. 4 Special	1,640-50	18,775-20	20,416-10				
Rejected No. 5 Special	1,320-20	3,349-20	4,669-40			60 40	60-40
Rejected No. 6 Special		1,593-30	1,593-30				
Rejected No. 3 Nor. Sprouted	1,006-40		1,006-40				
Rejected No. 4 Sprouted		868-20	868-20				
Rej. No. 1 Nor. Mix Gravel		1,753-20	1,753-20				
Rej. No. 3 Nor. Mix Cinders		915-00	915-00				
Rej. No. 3 Nor. Mix Gravel and Cinders		844-20	844 20				
No. 2 Nor. Smutty	1,207-00		1,207-00				
No. 3 Nor. Smutty	4,438-20		4,438-20				
No. 4 Smutty	2,105-20		2,105-20				
No. 4 Special Smutty	1,045-20		1,045 20				
Rejected No. 3 Nor. Smutty	1,121-10	1,142-30	2,263 40				
N.G. No. 2 Nor. Tgh	60,197-30		60,197-30				
N.G. No. 2 Nor. Damp	10,477-30		10,477-30				
N.G. No. 3 Nor. Tgh	233,379-20	219,053-40	452,433-00	60,070-20	60,066 40	215,075 00	335,212 00
N.G. No. 3 Nor. Damp	52,710-20	6,344-30	59,054 50				
N.G. No. 4 Tgh	2,319 10	18,880 30	21,199-40			16,192-20	16,192-20
N.G. No. 4 Special Tgh	48,789-00	123,710-20	172,499-20				
N.G. No. 4 Special Damp	18,778-50	2,164 00	20,942 50				
N.G. No. 5 Tgh		12,125 50	12,125 50				
N.G. No. 5 Special Tgh	9,559-20	62,337-40	71,897-00				
N.G. No. 5 Special Damp	3,769-20		3,769-20				
N.G. No. 6 Tgh		2,094-00	2,094-00				
N.G. No. 6 Special Tgh	1,255-00	13,077-20	14,302 20				
N.G. No. 6 Special Damp	1,007-00		1,007-00				
N.G. Feed Tgh		2,977-00	2,977-00				

N.G. Feed Damp	1,074-50		1,074-50				
N.G. Rejected No. 2 Nor. Tgh	963-40	2,157-00	3,120-40				
N.G. Rejected No. 3 Nor. Tgh	4,443-20	10,474-30	14,917-50			13,804-40	13,804-40
N.G. Rejected No. 3 Nor. Damp	2,091 00		2,091 00				
N.G. Rejected No. 4 Tgh	776-40		776-40				
N.G. Rejected No. 4 Special Tgh	6,778-20	34,437-20	41,215-40				
N.G. Dp. Rej. No. 4 Spec	2,368-10		2,368 10				
N.G. Tf. Rej. No. 5 Spec	3,659-50	6,460-20	10,120-20				
N.G. Tf. Rej. No. 3 Nor. Sprtd	32,450 00		32,450 00				
N.G. Tgh. Rej. No. 4 Spec. Sptd	2,290-20		2,290-20				
N.G. Tgh. Sm. No. 2 Nor	392-20		392-20				
N.G. Tgh. Sm. No. 3 Nor	3,473-50	1,030-30	4,504-20				
N.G. Dp. Sm. No. 3 Nor	1,318-10		1,318-10				
N.G. Tgh. Sm. No. 4		424-40	424-40				
N.G. Tgh. Sm. No. 4 Spec		1,331-20	1,331 20				
N.G. Tgh. Sm. No. 5		1,409-10	1,409-10				
N.G. Tgh. Rej. Smty. No. 4 Spec		1,395-20	1,395-20				
N.G. Tgh. Rej. No. 3 Nor. Mix. Htd	684-00		684-00				
N.G. Tgh. Rej. No. 2 Nor Mix. Coal and Cinders		400-10	400-10				
N.G. Dp. Rej. No. 3 Nor. Mix. Gravel		995-30	995-30				
N.G. Tgh. Rej. No. 4 Spec. Mix Cinders		901-20	901-20				
Rej. No. 2 Nor. Mix. Htd		1,073-10	1,073-10				
Sample		55,749-40	55,749-40				
No. 3 Durum	2,039-20		2,039-20				
Total	1,202,167-40	1,115,036-00	2,317,203-40	1,370,501-40	426,204-10	528,105-00	2,324,810-50
Oats—							
No. 2 C.W	1,990-10	1,819-24	3,810-00		4,521-06		4,521-06
No. 3 C.W	4,350-20		4,350-20		7,241-06		7,241-06
No. 2 Feed	6,451-16		6,451-16		14,788-18		14,788-18
N.G. Tgh. No. 3 C.W	3,914-04		3,914-04				
N.G. Tgh. No. 2 Feed	1,028-08		1,028-08				
N.G. Dp. No. 2 Feed		3,666-06	3,666-06				
Sample		1,629-14	1,629-14				
Total	17,734-24	7,115-10	24,850-00		26,550-30		26,550-30
Barley—							
No. 3 C.W						6,130-08	6,130-08
No. 4 C.W	11,895-10	38,528-06	50,423-16	27,545 00		95,928-26	123,473-26
Feed	4,265-20		4,265-20				
Rejected	2,933-36	12,087-34	15,021-22				
N.G. Tgh. No. 3 C.W	9,710-20	6,676-42	16,387-14				
N.G. Tgh. No. 4 C.W	7,919-40	13,313-46	21,233-38				
N.G. Dp. No. 4 C.W	3,289-18		3,289 18				
N.G. Tgh. Feed	265-30		265-30				
N.G. Tgh. Rej	1,239-28	5,886-32	7,126 12				
Sample		11,100-10	11,100-10				
Total	41,510-10	87,593-26	129,112-36	27,545-00		102,058-34	129,603-34

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Western "G" Private Terminal Elevator during the Crop Year 1919-20
(September 1, 1919, to August 31, 1920)

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Flax—							
N.G. Tgh. Rej. No. 2 C.W. Htd. Htg		1,108-47	1,108-47				
Rejected No. 2 C.W. Mix Htd						1,050-10	1,050-10
Sample		519-06	519-06				
Total		1,627-53	1,627-53			1,050-10	1,050-10
	Net Lbs.	Net Lbs.	Net Lbs.	Net bs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—							
No. 3	51,350	60,990	112,340				
N.G. No. 3 Tgh	70,250		70,250				
Nig. No. 3 Damp	58,600		58,600				
Sample		142,190	142,190				
Total	180,200	203,180	383,380				
Screenings				46,090	682,320	235,480	963,890
Scalpings		396,710	396,710	200,000	353,810	707,930	1,261,7.40
Standard Stock Food		71,000	71,000				

APPENDIX No. 3

BOARD OF GRAIN COMMISSIONERS FOR CANADA

ANNUAL REPROT OF HANDLINGS OF GRAIN AT PRIVATE TERMINAL ELEVATORS, WINNIPEG, FORT WILLIAM AND PORT ARTHUR

CROP YEAR—1920–21.

INDEX

PAGE

Winnipeg—

Anchor Elevator Co.... 2078
Gooderham-Melady Elev. Co 2080
Paterson Elevator Co. 2081
Superior Elevator Co. 2083

Fort William—

Boles Elevator Co 2084
Capital Elevator Co. 2086
Davidson & Co., James. 2088
Davidson & Smith Mill. 2089
Empire Elevator Co. 2092
Gillespie Elevator Co. 2095
Merchants Elevator Co. 2098
Muirhead Elevator Co. 2100
Mutual Elevator Co. 2101
Mt. McKay Feed Co. 2103
Patersons Elevator Co. 2104
Western "G" Elev. Co. 2109

Port Arthur—

National Feed Mill. 2112
Richardsons Elevator Co. 2117
Saskatchewan Co-op. Elevator No. 2. 2121
Thunder Bay Elevator Co. 2124
United Grain Growers Elevator "H" 2128

BOARD OF GRAIN COMMISSIONERS FOR CANADA.

STATEMENT—Showing the Receipts and Shipments, by grades of each kind of grain at the Anchor Elevator at Winnipeg during the Crop Year 1920-1921.

Grades	Receipts by Rail	Shipments by Rail
Wheat—		
No. 1 Northern	123,068-00	130,763-00
No. 2 Northern	52,048-10	57,657-10
No. 3 Northern	115,815-30	105,447-40
Number Four	29,852-40	42,008-30
Number Five	2,182-50	1,052-10
Rejected No. 1 Northern	2,481-20	.....
Rej. No. 1 Nor. Mxd. Fireburnt	2,854-26	.....
Rej. No. 2 Northern	1,099-40	.....
Rej. No. 2 Nor. Mxd. Fireburnt	1,179-10	2,043-40
Rej. No. 3 Northern	3,426-40	.....
Rej. No. 3 Nor. Mxd. Htd	.....	3,733-20
Rej. No. 3 Nor Mxd. Fireburnt	.....	2,633-20
Rej. No. 4 Mxd. Fireburnt	.....	2,068-00
Rej. No. 4 Mxd. Htd	.....	1,100-00
Smutty No. 3 Northern	2,048-20	2,072-00
Smutty Number Four	218-50	254-10
N.G. No. 2 Nor. Tgh	1,125-40	.....
N.G. No. 2 Nor, Damp	662-00	.....
N.G. No. 3 Nor.	6,355-50	.....
N.G. No. 3 Nor. Damp	84-00	.....
N.G. Number 4	3,191-10	.....
N.G. Number 4 Damp	1,028-40	.....
N.G. Number 5	710-00	.....
N.G. Rej. Mxd. Htd	46-00	.....
Fireburnt	2,514-10	.....
Cond. Fireburnt	999-30	56,900-00
Durum	1,031-50	.....
Spring and Durum	1,255-40	2,980-00
No. Est. Grade	1,068-10	1,293-20
Total	366,348-10	411,906-20
Oats—		
No. 2 C.W.	208,355-20	70,286-16
No. 3 C.W.	253,219-24	30,963-18
Ex. No. 1 Feed	57,768-18	29,392-32
Ex. 1 Feed Mxd. Htd	1,901-16	.....
No. 1 Feed	107,804-04	29,240-00
No. 2 Feed	100,514-14	5,682-12
Rejected	17,921-16	.....
N.G. No. 2 C.W. Tgh	58,383-18	1,736-16
N.G. No. 2 C.W. Damp	5,965-20	.....
N.G. No. 3 C.W. Tgh	94,688-28	.....
N.G. No. 3 C.W. Damp	17,407-22	.....
N.G. Ex. No. 1 Feed Tgh	17,617-22	.....
N.G. Ex. No. 1 Feed Damp	1,798-18	.....
N.G. No. 1 Feed Tgh	51,718-08	.....
N.G. No. 1 Feed Damp	4,040-20	.....
N.G. No. 2 Feed Tgh	48,696-06	1,941-06
N.G. No. 2 Feed Damp	9,184-24	.....
N.G. Rej. Tgh	2,085-30	.....
N.G. Rej. Damp	2,290-20	.....
N.G. Tgh. Rej. Mxd. Htd	1,695-30	.....
Condemned	1,520-00	.....
Condemned and heated	2,130-30	.....
Condemned damp and heated	122-32	.....
Total	1,067,332-32	169,242-32

APPENDIX No. 3

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by grades of each kind of grain at the Anchor Elevator at Winnipeg during the Crop Year 1920-21.

Grades	Receipts by Rail	Shipments by Rail
Barley—	bus.	bus.
No. 3 C.W.	5,960-30	5,964-28
No. 4 C.W.	2,466-02	10,400 10
Feed	2,420-10	1,250 00
Rejected	2,268-16	
Rej. Mxd. Htd.		1,666 32
N.G. Tgh. No. 3 C.W.	2,760-20	
N.G. Tgh. No. 4 C.W.	2,637-44	1,375-00
N.G. Damp No. 4 C.W.	1,392-14	
N.G. Tgh. Feed	3,800-30	
N.G. Tgh. Rejected	1,266-02	
Total	24,972-24	20,656 22
Flaxseed—		
No. 2 C.W.	398 22	
Rejected	90 30	
Total	4,488 52	
Mixed Grain—		
Number One	32,160	
Mxd. Grain	206,920	60,000
Total	239,080	60,000
Screenings	505,850	179,000
Scalpings	753,500	

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades of each kind of grain at the C.G.R. Elevator at Transcona (Winnipeg) operated by the Gooderham Melady and Company during the Crop Year 1920–1921.

Grades	Receipts by Rail	Shipments by Rail
Wheat—	bush.	bush.
No. 1 Northern	348,209–50	404,347–10
No. 2 Northern	301,323–10	379,733–20
No. 3 Northern	241,744–20	362,653–40
Number Four	57,886–20	79,233–20
Number Five	13,518–30	.....
Number Six	2,277–10	.....
Rejected No. 1 Nor	4,912–40	.....
Rejected No. 2 Nor	6,886 10	.....
Rejected No. 3 Nor	3,261–00	.....
Rejected No. 4	561–30	.....
Smutty No. 2 Northern	5,407–20	1,833–20
Smutty No. 3 Northern	8,363–10	19,000–00
Smutty Number Four	4,079–30	.....
Smutty Number Five	1,046–10	.....
N.G. Tgh. No. 1 Northern	4,906–40	.....
N.G. Tgh. No. 2 Northern	28,464–20	.....
N.G. Damp No. 2 Northern	3,151–40	.....
N.G. Tgh. No. 3 Northern	39,199–30	1,071–30
N.G. Damp No. 3 Northern	15,653–30	.....
N.G. Tgh. Number Four	14,425–50	.....
N.G. Damp Number Four	6,519–40	.....
N.G. Tgh. Number Five	3,670–30	.....
N.G. Damp Number Five	1,541–20	1,064–20
N.G. Tgh. Number Six	955–40	.....
N.G. Damp Number Six	841–10	.....
N.G. Feed	1,032–50	.....
N.G. Damp Rejected No. 3 Nor	2,620–20	.....
N.G. Tgh. Rejected No. 4	2,575–50	.....
N.G. Damp Rejected No. 4	1,824–30	.....
N.G. Damp Rejected No. 5	1,056–10	.....
Total	1,127,896–20	1,248,936–40
Oats—		
No. 2 C.W	6,069–14	8,000–00
No. 1 Feed	2,202–32	6,000–00
No. 2 Feed	2,942–22	2,000–00
Rejected	554–14	2,008–28
N.G. Tgh. No. 2 C.W	480–30	.....
N.G. No. 3 C.W	1,397–32	.....
N.G. Tgh. No. 1 Feed	2,789–24	.....
Total	16,437–32	18,008–28
Barley—	bush.	bush.
No. 4 C.W	2,088–46	1,833–16
Feed	1,368–26	1,250–00
N.G. Tgh. Feed	667–24	.....
Total	4,125–00	3,083–16
Flaxseed—		
No. 1 N.W.C	.....	895–50
No. 2 C.W	386–04	.....
Rejected No. 1 N.W.C	109–26	.....
Total	495–30	895–50
Rye—		
No. 2 C.W	436–44	.....
Mixed Grain	.....	289,700
Screenings—	.....	1,229,850
Scalpings	.....	330,000

APPENDIX No. 3

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, of each Kind of Grain at the Paterson Elevator at St. Boniface during the Crop Year 1920-21

Grades	Receipts by Rail	Shipments by Rail
	Bush.	Bush.
Wheat—		
No. 1 Northern	162,933-00	179,575-50
No. 2 Northern	294,050-00	315,218-10
No. 3 Northern	474,077-10	549,243-50
No. 4	111,450-30	98,996-10
No. 5	15,575-00	4,512-10
No. 6	1,255-10	.....
Feed	78-20	1,035-50
Rejected No. 1 Nor	32,678-00	30,811-40
Rejected No. 2 Nor	21,970-40	9,402-20
Rejected No. 3 Nor	26,710-20	10,583-40
Rejected No. 4	6,040-20	1,466 40
Smutty No. 2 Nor	.....	1,091-40
N.G. Tgh. No. 1 Nor	1,016-40	.....
N.G. Tgh. No. 2 Nor	2,296-50	918-10
N.G. Tgh. No. 3 Nor	20,619-40	1,566-40
N.G. Dp. No. 3 Nor	2,424-10	.....
N.G. Tgh. No. 4	13,891-30	1,942-30
N.G. Dp. No. 4	3,799-10	.....
N.G. Tgh. No. 5	1,571-30	541-10
N.G. Dp. No. 5	472-30	.....
N.G. Tgh. Rej. No. 3 Nor	1,439-10	.....
N.G. Tgh. Sm. No. 3 Nor	592-00	.....
Durum	2,420-50	1,443-00
No. 2 Durum	1,101-00	1,843-50
No. 3 Durum	1,193-00	1,183-20
Spring and Durum	1,052-20	1,052-20
Total	1,200,708-50	1,212,429-00
Oats—		
No. 2 C.W	191,837-12	258,341-06
No. 3 C.W	194,415-00	168,298-28
Ex. No. 1 Feed	70,267-22	102,679-14
No. 1 Feed	145,488-28	127,459-24
No. 2 Feed	129,193-08	183,411-06
Rejected	8,989-24	9,531-06
N.G. Tgh. No. 2 C.W	42,916-06	10,142-22
N.G. Dp. No. 2 C.W	1,729-14	.....
N.G. Tgh. No. 3 C.W	71,917-22	13,700-00
N.G. Dp. No. 3 C.W	3,547-02	2,013-08
N.G. Tgh. Ex. No. 1 Feed	31,441-06	31,764-24
N.G. Dp. Ex. No. 1 Feed	1,914-24	1,941-06
N.G. Tgh. No. 1 Feed	46,823-08	17,742-22
N.G. Dp. No. 1 Feed	2,100-00	.....
N.G. Tgh. No. 2 Feed	28,416-06	63,214-24
N.G. Dp. No. 2 Feed	1,951-16	.....
N.G. Tgh. Rej	.....	7,570-20
N.G. Tgh. Rej. Mix. Htd	6,657-12	2,000-00
N.G. Tgh. Condemned	.....	4,117-22
Total	979,606-06	1,003,928-28
Barley—		
No. 3 C.W	61,518-46	87,237-24
No. 4 C.W	25,564-38	19,807-24
Feed	26,943-36	34,541-32
Rejected	19,134-18	22,233-16
N.G. Tgh. No. 2 C.W	1,409-28	.....
N.G. Tgh. No. 3 C.W	9,707-04	1,539-18
N.G. Tgh. No. 4 C.W	1,838-26	762-24
N.G. Dp. No. 4 C.W	1,378-06	.....
N.G. Tgh. Feed	1,334-18	764-28
N.G. Tgh. Rej	1,858-16	1,225-00
Total	150,687-44	168,111-22

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades, of each Kind of Grain at the Paterson Elevator at St. Boniface during the Crop Year 1920-21—*Concluded.*

Grades	Receipts by Rail	Shipments by Rail
	Bush.	Bush.
Flaxseed—		
No. 1 N.W.C.	1,516-54	1,401-44
No. 2 C.W.	706-24	977-48
No. 3 C.W.	93-32	.....
Total	2,316-54	2,379-36
Rye—		
No. 1 C.W.	1,146 24	2,214 36
No. 2 C.W.	16,923-52	16,200-20
Rejected	3,225-50	3,878-32
N.G. Tgh. No. 2 C.W.	380-40	.....
Total	21,676-54	22,293-32
	Lbs.	Lbs.
Mixed Grain	340,850	143,500
Screenings	.....	862,800
Scalpings	52,350	.....

APPENDIX No. 3

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, of each Kind of Grain at the Superior Elevator at St. Boniface during the Crop Year 1920-21

Grades	Receipts by Rail	Shipments by Rail
Wheat—	Bush.	Bush.
No. 1 Hard	1,548-40	
No. 1 Northern	398,827-40	516,337-30
No. 2 Northern	224,713-10	242,018-50
No. 3 Northern	259,448-30	266,214-00
No. 4	57,398-10	41,893-50
No. 5	20,304-10	25,073-50
No. 6	19,352-00	18,492-10
Feed	2,161-00	
Rejected No. 1 Nor	3,747-40	
Rejected No. 2 Nor	8,791-10	
Rejected No. 3 Nor	9,416-10	2,601-30
Rejected No. 3 Nor. Mxd. Htd		573-00
Rejected No. 4	3,094-50	457-10
Smutty No. 2 Nor	1,440-20	
Smutty No. 3 Nor	5,625-30	
N.G. Tgh. No. 1 Nor	2,459-30	
N.G. Tgh. No. 2 Nor	4,358-30	
N.G. Tgh. No. 3 Nor	12,493-30	3,567-00
N.G. Damp No. 3 Nor	9,337-30	
N.G. No. 4	5,431-40	
N.G. Damp No. 4	952-10	
N.G. No. 5	2,334-30	
N.G. Feed	308-20	
N.G. No. 4 Rej	869-30	
N.G. Smutty No. 3 Nor	1,097-00	2,933-20
N.G. Smutty No. 6		949-00
Cond. No. 1 Nor. Heated	95-20	
Wheat and Hulled Oats		1,350-00
Total	1,055,606-30	1,122,461-10
Oats—		
No. 1 C.W		2,051-26
No. 2 C.W	184,620-00	521,349-14
No. 3 C.W	237,060-10	133,980-20
Ex. No. 1 Feed	39,285-10	60,891-26
No. 1 Feed	120,564-14	80,542-32
No. 2 Feed	51,764-04	72,865-30
Rejected	3,795-30	
Rejected Mxd. Htd	3,901-26	
N.G. Tgh. No. 2 C.W	56,449-14	2,019-14
N.G. Tgh. No. 3 C.W	96,484-04	5,787-22
N.G. Dam p No. 3 C.W	3,440-00	
N.G. Ex. No. 1 Feed	17,479-14	13,944-04
N.G. Damp Ex. No. 1 Feed	4,052-32	
N.G. No. 1 Feed	28,737-02	13,616-16
N.G. Damp No. 1 Feed	5,904-24	2,015-30
N.G. No. 2 Feed	41,270-00	
N.G. Tgh. Rej		1,941-06
N.G. Rej. Mxd. Htd		4,225-30
Total	894,809-14	915,232-32
Barley—		
No. 3 C.W	2,523-36	2,523-36
No. 4 C.W	3,270-40	4,345-40
Feed	952-04	952-04
Total	6,746-32	7,821-32
Flaxseed—		
Rejected		70-00
Rye—		
Rejected		1,316-44
	Lbs.	Lbs.
Mixed Grain	138,460	
Screenings		1,488,960

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by grades, of each kind of grain at Bole's Private Terminal Elevator during the Crop Year 1920–21.

Grades	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Bush.	Bush.	ush.	Bush.	Bush.	Bush.	Bush.
Wheat—							
No. 3 Nor						1,616-40	1,616-40
Rej. No. 5						665-30	665-30
N. G. Tgh. Rej. No. 3 Nor. Mix. Gravel	133-20		133-20				..
Rej. No. 3 Nor. Mix. Htd		1,069-50	1,069-50				
Condemned No. 1		273-10	273-10				
Condemned No. 1 Htd		421-30	421-30				
Total	133-20	1,764-30	2,897-50			2,282-10	2,282-10
Oats—							
No. 2 C. W	46,173-28	2,702-12	48,876-06		3,600-00		3,600-00
No. 3 C. W	23,027-12	8,355-30	31,383-08		19,811-26		19,811-26
No. 1 Feed	3,657-32	6,026-26	9,684 24		18,882-12	3,600-00	22,482-12
No. 2 Feed	16,401-06	13,373-18	29,774 24		1,800-00		1,800-00
Rejected	3,883-08	43,455-30	47,339-04			2,273-18	2,273-18
N. G. Tgh. No. 2 C. W	11,487-12	50,908-18	62,395-30		3,800-00		3,800-00
N. G. Dp. No. 2 C. W		2,132-32	2,132-32				
N. G. Tgh. No. 3 C. W	20,090-30	36,024-21	56,115-17		3,600-00		3,600-00
N. G. Dp. No. 3 C. W	1,958-28		1,958-28				
N. G. Tgh. Ex. No. 1 Fd		19,276-26	19,276-26		1,800-00		1,800-00
N. G. Tgh. No. 1 Fd	3,942-22	38,012-22	41,955-10		1,941-06		1,941-06
N. G. Dp. No. 1 Fd	1,718-28		1,718-28				
N. G. Tgh. No. 2 Fd	6,414-24	20,204-20	26,619-10		2,700-00		2,700-00
N. G. Dp. No. 2 Fd		1,738-08	1,738-08				
N. G. Tgh. Rej	2,146-16	17,883-08	20,029-24				
Rej. Mix. Htd		10,235-32	10,235-32				
Condemned		2,161-16	2,161-16				
Condemned Htd	2,381-06	3,224-24	5,605-30				
Sample	1,748-00	28,184-27	29,932-27		1,800-00	7,764-24	9,564-24
No Estab. Grade		569-04	569-04				
Total	145,032-14	304,472—00	449,504—14		59,735-10	13,638-08	73,373-18

Barley—							
No. 4 C. W.						749-08	749-08
Feed	724-28		724-28				
N. G. Tgh. Feed		1,268-46	1,268-46				
Rej. Mix. Htd		4,305-00	4,305-00				
Total	724-28	5,573-46	6,298-26			749-08	749-08
Flaxseed—							
No. C. W.	16-52		16-52				
Mixed Grain—	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
No. 2		90,963	90,963				
No. 3		195,950	195,950				
Rej. Mix. Htd					122,400		122,400
Barley and Wild Oats		177,050	177,050				
Oats, Barley and Wild Oats		61,120	61,120				
Rej. Htd. Barley and Wild Oats		69,080	69,080				
N. G. Tgh. Sm. Rej. Wheat, Oats and Rye	4,600		4,600				
Sample		77,120	77,120				
Total	4,600	671,283	675,883		122,400		122,400
Screenings		267,990	267,990		60,750	131,990	192,740
Scalpings	818,730	319,510	1,138,240				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT- Showing the Receipts and Shipments, by grades, of each kind of grain at the Capital Private Terminal Elevator during the Crop Year 1920 21

Grades	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.
No. 1 Hard	1,097-10		1,097-10				
No. 1 Nor.	26,941-10		26,941-10				
Dried No. 1 Nor.		2,921-00	2,921-00				
No. 2 Nor.	88,563-40		88,563-40		18,636-40	53,454-00	72,090-40
Dried No. 2 Nor.		7,397-00	7,397-00				
No. 3 Nor.	503,392-00	6,264-40	509,656-40		386,583-20	667,113-40	1,053,697-00
No. 4	164,965-40	96,522-20	261,488-00		30,902-10	157,348-40	188,250-50
No. 5	37,633-10	14,883-40	51,516-50			26,310-50	26,310-50
No. 6	6,803-30	25,687-20	32,490-50				
Feed	1,092-00	6,660-10	7,752-10				
Rej. No. 1 Nor	9,714-50	3,953-00	13,667-50				
Rej. No. 2 Nor.	15,702-00	5,924-30	21,626-30			2,600-00	2,600-00
Rej. No. 3 Nor.	9,548-40	12,975-30	22,524-10		1,566-40	4,036-20	5,603-00
Rej. No. 4	2,207-20		2,207-20				
Rej. No. 1 Nor. Mix. Gravel	1,369-10	1,173-10	2,542-20				
Rej. No. 2 Nor. Mix. Gravel	4,987-50		4,987-50				
Rej. No. 3 Nor. Mix. Coal		1,145-00	1,145-00				
Rej. 3 Nor. Sprouted	6,736-50		6,736-50				
Rej. No. 4 Mix. Sprouted	3,205-10		3,205-10				
Smutty No. 3 Nor.	989-40		989-40				
Smutty No. 4		985-00	985-00				
N.G. Tgh. No. 1 Nor.	8,696-00	1,008-50	9,704-50				
N.G. Tgh. No. 2 Nor.	41,273-40	7,917-40	49,191-20				
N.G. Dp. No. 2 Nor.	1,790-00	4,253-40	6,043-40				
N.G. Tgh. No. 3 Nor.	107,368-10	25,419-40	132,787-50			5,211-30	5,211-30
N.G. Dp. No. 3 Nor.	6,808-30	967-30	7,776-00				
N.G. Tgh. No. 4	12,628-50	1,239-30	13,868-20				
N.G. Dp. No. 4	898-10		898-10				
N.G. Tgh. No. 5	5,715-40		5,715-40				
N.G. Tgh. No. 6	1,979-50	2,477-40	4,457-30				
N.G. Tgh. Feed	1,277-50		1,277-50			995-10	995-10
N.G. Dp. Feed	1,128-00		1,128-00				
N.G. Tgh. Rej. No. 3 Nor.	960-30	939-50	1,900-20				
N.G. Tgh. Rej. No. 4		1,018-10	1,018-10			1,090-10	1,090-10
N.G. Tgh. Rej. No. 3 Nor. Sptd.	3,798-00		3,798-00				
N.G. Tgh. No. 3 Nor. Htg.	1,004-30		1,004-30				
N.G. Tgh. Rej. No. 3 Nor. Mix. Gravel and Cinders	1,096-50		1,096-50				
N.G. Tgh. Rej. No. 4 Mix. Gravel		834-10	834-10				

N.G. Tgh. No. 3 Nor. Mix. Gravel and Htg.	1,109-30		1,109-30				
N.G. Tgh. Cond. Mix. Fireburnt		1,052-50	1,052-50				
Sample		28,653-20	28,653-20				
Total	1,082,483-50	262,275-10	1,343,759-00		437,688-50	918,160-20	1,355,849-10
Oats—							
No. 2 C.W.	5,364-04		5,364-04				
No. 3 C.W.	7,270-30		7,270-30			13,647-02	13,647-02
No. 1 Feed						1,596-16	1,596-16
No. 2 Feed	10,026-26		10,026-26			26,176-16	26,176-16
Rejected	299-14		299-14				
N.G. Tgh. No. 2 C.W.						10,015-10	10,015-10
N.G. Tgh. No. 3 C.W.	1,701.16		1,701.16				
N.G. Tgh. No. 1 Feed	2,210-30		2,210-30				
N.G. Tgh. No. 2 Feed	8,002-02		8,002-02				
Rej. Mix. Gravel	1,370-00	1,744-04	3,114-04				
N.G. Tgh. Rej. Mix. Htg. Mix. Sand and Gravel	1,231 16		1,231-16				
Total	37,477-02	1,744-04	39,221-06			51,435-10	51,435-10
Barley—							
No. 3 C.W.	3,839 38		3,835-38			6,054-18	6,054-18
N.G. Tgh. No. 3 C.W.	1,823-16	1,245-20	3,068 36			1,424-08	1,424-08
N.G. Tgh. No. 4 C.W.	1,673-06		1,673-06			1,615-30	1,615-30
Total	7,336-12	1,245-20	8,581 32			9,094-08	9,094-08
Mixed Grain—	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
No. 1	17,080		17,080				
No. 2	183,160		138,160				
No. 3	61,030		61,030				
No. 4		212,500	212,500				
N.G. Tgh. No. 2	71,230		71,230				
Rye and Wheat		68,140	68,140				
Oats, Wheat and Wild Oats	68,290		68,290				
N.G. Tgh. Rej. No. 3 Mix. Sand and Gravel	71,460		71,460				
N.G. Tgh. Wheat and Rye Cond. Frbt					130,310		130,310
Sample		230,270	230,270				
Total	427,250	510,910	938,160		130,310		130,310
Screenings					526,270	863,300	1,389,570
Scalpings		634,520	634,520		178,370	197,320	375,690

BOARD OF GRAIN COMMISSIONERS FOR CANADA.

STATEMENT—Showing the Receipts and Shipments, by Grades, of each kind of grain at the James Davidson Private Terminal Elevator during the Crop Year 1920-21

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.
Wheat							
Oats—							
No 2 Feed					3,882-12		3,882-12
N.G. Tgh, Rej	2,174-04		2,174-04				
Total	2,174-04		2,174-04		3,882-12		3,882-12
Barley—							
N.G. Tgh. Rejected		1,327-34	1,327-34			604-18	604-18
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain—							
No. 2	75,100		75,100				
No. 4		90,070	90,070				
Rej. Mxd. Htd	82,610		82,610		80,000		80,000
Sample		60,000	60,000				
Total	157,710	150,070	307,780		80,000		80,000
Scalpings		209,750	209,750				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, of each kind of grain at Davidson & Smiths Mill operated under a manufacturing elevator license during the Crop Year 1920-21.

Grades	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.
Wheat—							
No. 1 Northern	17,331 00		17,331 00		9,848-40	8,000-30	17,849-10
No. 2 Northern	57,436 50	19,306 00	76,742 50		21,832-40	79,287-30	101,120-10
Dried No. 2 Nor		1,757-40	1,757 40				
No. 3 Northern	149,283-30	43,910-30	193,194 00		69,722-40	221,165-10	290,887 50
Dried No. 3 Nor		960 50	960-50				
No. 4	36,584 30	41,223 10	77,807 40			70,666-40	70,666-40
No. 5	8,262-40	23,344-50	31,607-30			37,173-00	37,173-00
No. 6	5,216 00	11,010 50	16,226 50		1,413-40	30,201 50	31,615 30
Feed	977-10	4,651-20	5,628-30			4,651-20	4,651-20
Rejected No. 3 Nor	579-00	2,345-00	2,924-00				
Rejected No. 6		1,100-00	1,100-00				
Rejected No. 3 Nor. Sprtd	1,469 00	2,964 30	4,433 30				
Rej. No. 2 Nor. Mxd. Gravel	1,011 20		1,011 20			1,658-40	1,658-40
Rej. No. 3 Nor. Mxd. Gravel		1,658-40	1,658-40				
N.G. Tgh. No. 1 Northern		1,018 10	1,018 10				
N.G. Tgh. No. 2 Northern	7,380-40	2,573-20	9,954-00				
N.G. Damp No. 2 Northern		904 40	904 40			904 40	904 40
N.G. Tgh. No. 3 Northern	13,213 50	5,972 50	19,186 40			1,206 30	1,206 30
N.G. Tgh. No. 4	5,401-10	9,569-40	14,970-50			3,084-40	3,084-40
N.G. Damp No. 4	1,162-10		1,162-10			2,154-40	2,154-40
N.G. Tgh. No. 5		1,620 20	1,620 20				
N.G. Tgh. No. 6		1,400-00	1,400-00				
N.G. Tgh. Feed		870-00	870-00				
N.G. Tgh. Rej. No. 3 Nor. Sprtd	604-00		604-00				
Rej. No. 2 Nor. Mxd. Htd. Htg		1,204 40	1,204 40				
Rej. No. 2 Nor. Mxd. Fireburnt		1,209 20	1,209 20				
Rej. No. 3 Nor. Mxd. Htd		4,235-40	4,235-40				
Rej. No. 3 Nor. Sprtd. Rej. Htd		1,076-00	1,076-00				
Condemned No. 1		1,000 00	1,000 00				
Sample		44,770-40	44,770-40			2,668-30	2,668-30
N.G. Tgh. Spring Durum Rej. Mxd. Htd		5,466 40	5,466 40			6,649-50	6,649-50
Total	305,912 50	237,125-20	543,038-10		102,817-40	469,473-30	572,291-10

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, of each kind of grain at Davidson & Smiths Mill operated under a manufacturing elevator license during the Crop Year 1920-21.—*Concluded.*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Oats—							
No. 2 C.W.	31,853-08	3,777-02	35,630 10		31,291-06	15,987-22	47,278-28
No. 3 C.W.	41,392-32	10,461 06	51,854-04		22,527-02	34,360-20	56,887-22
Ex. No. 1 Feed	14,805 10	6,475 30	21,281-06		3,910-00	14,150-30	18,060-30
No. 1 Feed	40,244 02	35,208 24	75,452 26		42,540-20	9,374-04	51,914-24
No. 2 Feed	25,610 00	6,722 32	32,332 32		33,084-04	119,260-10	152,344-14
Rejected		3,589 06	3,589-06		4,025-10		4,025-10
N.G. Tgh. No. 2 C.W.	15,724-14	1,996-16	17,720-30				
N.G. Tgh. No. 3 C.W.	33,021-06		33,021-06			2,063-18	2,063-18
N.G. Tgh. Ex. No. 1 Feed	7,311 26	2,080-00	9,391 26				
N.G. Tgh. No. 1 Feed	17,062 02	6,686-15	23,748-17			1,966-16	1,966-16
N.G. Damp No. 1 Feed	1,916-06		1,916-06				
N.G. Tgh. No. 2 Feed	13,698-08		13,698 08			10,599-04	10,599-04
N.G. Damp No. 2 Feed	1,515-00		1,515 00				
N.G. Damp Rej. Mxd. Htd.	2,113-08		2,113-08				
Rej. Mxd. Gravel	1,161-26	5,755-30	6,917 22			5,762-32	5,762-32
Sample		100,509 08	100,509 08				
Rej. Mxd. Htd.		3,792 32	3,792-32				
Total	247,429-12	187,055-31	434,485-09		137,378-08	213,525-20	350,903-28
Barley—							
No. 3 C.W.	6,866-10		6,866-10		1,545-00	10,584-08	12,129-08
No. 4 C.W.	8,072-04		8,072 04		3,102-44	5,013-32	8,134-28
Feed	713-46		713-46			4,547-34	4,547-34
Rejected	1,849-22	1,275-04	3,124-26				
N.G. Tgh. No. 3 C.W.	3,931-18		3,931-18			3,031-12	3,031-12
N.G. Tgh. No. 4 C.W.	1,143 14	1,706-12	2,849-26				
N.G. Tgh. Feed	1,392-14	1,157-24	2,549-38				
N.G. Tgh. Rejected	1,175-30		1,175 30			1,327-04	1,327-04
N.G. Tgh. Rej. Mxd. Htd.	1,224-38		1,224-38				
Total	26,369 04	4,138-40	30,507-44		4,647-44	24,521-42	29,169-38
Rye—							
No. 2 C.W.	399-26		399 26			1,754-16	1,754-16

	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain—							
No. 1	202,750	89,660	292,410				
No. 2	94,680	68,700	163,380				
No. 3		49,650	49,650				
No. 4	15,730	63,780	79,510				
Rejected No. 1	58,330		58,330				
N.G. Tgh. No. 1		41,280	41,280				
N.G. Tgh. No. 3	18,850		18,850				
Rye and Oats		91,900	91,900				
Barley and Wild Oats	25,660		25,660				
Barley, Wheat and Wild Oats	15,550		15,550				
Sample		48,480	48,480				
Total	431,550	453,450	885,000				
Screenings	308,890	6,635,190	6,944,080		458,940	1,591,480	2,050,420
Scalpings	837,300	2,168,110	3,005,410		109,360	125,600	234,960

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by grades, of each kind of grain at the Empire Private Elevator during the Crop Year 1920-1921.

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Northern	2,551,835-50		2,551,835-50	2,580,182-40	181,187-40		2,761,370-20
No. 2 Northern	1,644,189-40		1,644,189-40	2,266,396-50	134,183-20		2,400,580-10
No. 3 Northern	1,887,935-50		1,887,935-50	1,411,300-40	191,466-40	9,900-00	1,612,667-20
Number 4	488,880-00	28,589-10	517,469-10	187,100-50	40,550-00		227,650-50
Number 5	62,012-30	11,305-30	73,318-00	23,226-30			23,226-30
Number 6	8,465-30	13,079-00	21,544-30				
Feed	982-50	5,484-50	6,467-40				
Rejected No. 1 Nor	10,190-10		10,190-10	16,315-50			16,315-50
Rejected No. 2 Nor	15,793-50	2,193-20	17,987-10	19,472-00			19,472-00
Rejected No. 3 Nor	12,614-20	2,191-30	14,805-50				
Rejected No. 4	636-20		636-20				
Rejected No. 5	245-10		245-10				
Rejected No. 3 Nor. Sprtd	17,477-50	4,967-40	22,445-30				
Rejected No. 4 Sprtd	2,317-30		2,317-30				
Smutty No. 2 Northern	469-00		469-00				
Smutty No. 5	893-10		893-10			893-10	893-10
N.G. Tgh. No. 1 Nor	16,390-20	5,091-20	21,481-40			970-00	970-00
N.G. Damp No. 1 Nor	3,150-50		3,150-50				
N.G. Tgh. No. 2 Nor	36,693-20	25,348-50	62,042-10		2,552-30		2,552-30
N.G. Damp No. 2 Nor	1,120-50		1,120-50		2,200-00		2,200-00
N.G. Tgh. No. 3 Nor	69,199-50	59,913-10	129,113-00				
N.G. Damp No. 3 Nor	1,345-20		1,345-20				
N.G. Tgh. No. 4	18,095-30	18,426-40	36,522-10				
N.G. Tgh. No. 5	1,003-30	8,096-20	9,099-50				
N.G. Tgh. No. 6	3,724-30	3,320-00	7,044-30				
N.G. Tgh. Feed		2,810-00	2,810-00				
N.G. Tgh. Rej. No. 3 Nor		1,304-10	1,304-10				
N.G. Tgh. Rej. No. 3 Nor. Sprtd	2,716-10		2,716-10				
N.G. Tgh. Rej. No. 3 Nor. Mxd. Htd	1,422-10		1,422-10				
Sample		2,177-00	2,177-00				
No. Est. Grade	1,077-10		1,077-10				
No. 1 Durum	4,867-00		4,867-00		4,811-20		4,811-20
No. 2 Durum	756-10		756-10				
No. 3 Durum	5,673-10		5,673-10	1,232-30			1,232-30
Spring Durum	4,973-30		4,973-30				
Total	6,877,148-50	194,298-30	7,071,447-20	6,505,227-50	556,951-30	11,763-10	7,073,942-30

Oats—							
No. 2 C.W	546,491-06		546,491-06	628,378-04	9,705-30		638,084-00
No. 3 C.W	700,836-14		700,836-14	922,280-04	19,670-20		941,950-24
Ex. 1 Feed	126,084 24		126,084-24	130,962-14	7,764-24	1,700 14	140,427-18
No. 1 Feed	280,754-24		280,754-24	227,984-29	9,705-30		237,690-25
No. 2 Feed	242,982-11		242,982 11	356,372-21	18,132-12		374,504-33
Rejected	61,011-06		61,011-06	24,330-20		25,444-05	49,774-25
N.G. Tgh. No. 2 C.W	86,130-30		86,130-30		3,882-12	5,590-28	9,473-06
N.G. Damp No. 2 C.W	2,120 30		2,120-30				
N.G. Tgh. No. 3 C.W	295,426 08		295,426-08	84,510 33	15,529-14		100,040-13
N.G. Damp No. 3 C.W	6,184-04		6,184-04				
N.G. Tgh. Ex. No. 1 Feed	39,299-24		39,299-24	4,183-18		225-00	4,408-18
N.G. Damp Ex. No. 1 Feed	1,134-14		1,134 14				
N.G. Tgh. No. 1 Feed	165,950-20		165,950-20	46,711-26	15,823-18		62,535-10
N.G. Damp No. 1 Feed	11,676-06		11,676-06		3,941-06		3,941-06
N.G. Tgh. No. 2 Feed	115,997-20		115,997-20	8,087-23	3,705-30		11,793-19
N.G. Damp. No. 2 Feed	6,090 00		6,090-00				
N.G. Tgh. Rejected	43,702 22		43,702-22	4,338-28	1,669-14	2,616-18	8,624-26
N.G. Damp Rejected	3,856-06	1,830-30	5,687-02				
N.G. Tgh. No. 3 C.W. Htg	2,253-28		2,253-28				
N.G. Tgh. No. 2 Feed Htg	2,098-28		2,098-28				
Oats and Wild Oats	2,332-22		2,332-22				
Total	2,742,415 07	1,830 39	2,744,246 03	2,438,141 10	109,531-06	35,576-31	2,583,249-19
Barley—							
No. 3 C. W	118,678-24		118,678-24	103,862-04	15,583-16		119,445-20
No. 4 C. W	130,437-44	1,553-16	131,991-12	173,536-32	14,666-32		188,203-16
Feed	39,693-26		39,693-26	54,437-24			54,437-24
Rejected	27,783-06		27,783-06	5,321-02		1,836-02	7,157-04
N.G. Tgh. No. 3 C.W	14,972-24		14,972-24			1,604-08	1,604-08
N.G. Tgh. No. 4 C.W	23,599-18		23,599-18	661-42			661-42
N.G. Tgh. Feed	9,673-46		9,673-46			591-12	591-12
N.G. Tgh. Rejected	3,533-06		3,533-06				
N.G. Tgh. No. 4 C.W. Htg	970-20		970-20				
Total	369,342-22	1,553-16	370,895-38	337,819-08	30,250-00	4,031-22	372,100-30
Flaxseed—							
No. 1 N.W.C	119,016 23		119,016 23	81,417 37	17,124-26		98,542-07
No. 2 C.W	30,750-07		30,750-07	18,588-46			18,588-46
No. 3 C.W	9,933 12	15,769-39	25,702 51	23,417-38			23,417 38
Rejected	2,951-31	6,584-39	9,536-14	9,658-04			9,658-04
Rej. No. 3 C.W. Mxd. Htd	144-48		144-48				
Flax and brkn. wheat	893-40		893 40				
Total	163,689-49	22,354-22	186,044-15	133,082-13	17,124-26		150,206-39

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by grades, of each kind of grain at the Empire Private Elevator during the Crop Year 1920—1921—*Continued*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Rye—							
No. 1 C.W.	15,571-50		15,571-50				
No. 2 C.W.	14,572-28		14,572-28	37,356-04			37,356-04
Rej. No. 2 C.W.	2,472-38		2,472-38				
Rejected	2,285-20		2,285-20				
N.G. Tgh. No. 2 C.W.	1,190-10		1,190-10				
Total	36,092-34		36,092-34	37,356-04			37,356-04
Mixed Grain—							
No. 1	41,740		41,740				
No. 2	278,840		278,840			230,930	230,930
No. 3	373,990		373,990				
No. 4	88,550		88,550				
N.G. Tgh. No. 3	26,900		26,900				
Rej. No. 2 Mxd. Htd	71,770		71,770				
Wheat and Oats	8,780		8,780				
Wheat and Rye	92,420	60,310	152,730				
Wheat and Wild Oats	80,680		80,680				
Oats and Wild Oats	58,980		58,980				
Barley and Wild Oats	186,140		186,140				
Barley and Rye	80,000		80,000				
Wheat and Ragweed	58,760		58,760				
Flax and Broken Wheat	12,488		12,488				
Total	1,460,038 lbs.	60,310 lbs.	1,520,348 lbs.	lbs.	lbs.	230,930 lbs.	230,930 lbs.
Screenings	173,240		173,240	4,067,000	246,000		4,313,000
Scalpings	413,990		413,990	2,150,000	78,000		3,228,000

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by grades of each kind of grain at Gillespie's Private Terminal Elevator during the Crop Year 1920-21

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.
Wheat—							
No. 1 Nor	462,780-40	17,194-10	479,974 50	311,125-00	79,166-40	4,853-00	395,144-40
No. 2 Nor	512,198-00	7,636-10	519,834-10	547,659-10	52,966-40	.....	600,625-50
Dried No. 2 Nor	.....	891-40	891-40	.....	.....	.....	.....
No. 3 Nor	604,569-30	30,802 00	635,371-30	828,055-40	85,433 20	1,084-10	914,573-10
No. 4	132,967 50	4,982-20	137,950-10	12,000 00	25,733-20	5,000-00	42,733-20
No. 5	21,765 50	5,467-10	27,233-00	.....	.....	.....	.....
No. 6	4,425-20	3,956 50	8,382-10	.....	.....	12,543-50	12,543-50
Feed	1,352-30	2,195-40	3,548 10	.....	.....	2,751-40	2,751-40
Rej. No. 1 Nor	10,707-10	.....	10,707 10	.....	.....	1,200 00	1,200 00
Rej. No. 2 Nor	13,632-00	595-40	14,227-40	.....	.....	7,733-20	7,733-20
Rej. No. 3 Nor	8,358-30	.....	8,358-30	.....	.....	.....	.....
Rej. No. 4	1,424-50	.....	1,424-50	.....	.....	.....	.....
Rej. No. 6	559-50	.....	599-50	.....	.....	.....	.....
Rej. No. 3 Nor. Sptd	13,994-50	2,378-30	16,373 20	.....	.....	.....	.....
Rej. No. 4 Sptd	.....	330-40	330-40	.....	.....	.....	.....
Rej. No. 2 Nor. Mix. Gravel	990-00	.....	990-00	.....	.....	.....	.....
Smutty No. 1 Nor	8,686-30	.....	8,686-30	.....	.....	.....	.....
Smutty No. 2 Nor	1,089-00	.....	1,089-00	.....	.....	.....	.....
Smutty No. 3 Nor	1,328 00	.....	1,328-00	.....	.....	.....	.....
Smutty No. 4	988-50	.....	988-50	.....	.....	992-30	992-30
N.G. Tgh. No. 1 Nor	.....	3,112-20	3,112-20	.....	.....	.....	.....
N.G. Tgh. No. 2 Nor	16,650-30	1,305-20	17,955 50	.....	.....	.....	.....
N.G. Tgh. No. 3 Nor	57,954-30	3,069-40	61,024-10	.....	8,800-00	.....	8,800-00
N.G. Dp. No. 3 Nor	6,141-00	.....	6,141-00	.....	3,133-20	.....	3,133-20
N.G. Tgh. No. 4	21,663-10	1,374 50	23,038 00	.....	.....	.....	.....
N.G. Dp. No. 4	1,041-50	.....	1,041-50	.....	.....	.....	.....
N.G. Tgh. No. 5	2,588 10	.....	2,588-10	.....	.....	.....	.....
N.G. Tgh. No. 6	1,547 20	2,042-20	3,589-40	.....	1,100 00	.....	1,100-00
N.G. Dp. No. 6	984-40	.....	984-40	.....	.....	.....	.....
N.G. Tgh. Feed	.....	2,559-00	2,559 00	.....	.....	1,545-00	1,545-00
N.G. Dp. Feed	998 10	.....	998 10	.....	.....	.....	.....
N.G. Tgh. Rej. No. 3 Nor	.....	1,127 10	1,127-10	.....	.....	.....	.....
N.G. Tgh. Rej. No. 6	.....	1,248-50	1,248 50	.....	.....	1,249-40	1,249-40
N.G. Tgh. Rej. No. 3 Nor. Sptd	1,277-00	.....	1,277-00	.....	.....	.....	.....
N.G. Tgh. Sm. No. 2 Nor	1,435 10	.....	1,435 10	.....	.....	.....	.....
N.G. Tgh. No. 5 Htg	861-50	.....	861-50	.....	.....	.....	.....
Sample	.....	1,326 30	1,326-30	.....	.....	.....	.....
Spring and Durum	2,507-20	.....	2,507-20	.....	.....	.....	.....
Total	1,917,509-50	93,596-50	2,011,106-40	1,698,839-50	256,333-20	38,953-10	1,994,126-20

BOARD OF GRAIN COMMISSIONERS FOR CANADA—*Continued*

STATEMENT—Showing the Receipts and Shipments, by grades of each kind of grain at Gillespie's Private Terminal Elevator during the Crop Year 1920-21—*Concluded*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.
Oats—							
No. 2 C.W.	593,535-00	4,274-24	597,809-24	896,476-17	68,366-26	8,177-32	973,021-07
No. 3 C.W.	366,079-08	3,631 - 0	369,710-14	102,180 20	141,875-20	34,019-00	278,075-06
Ex. No. 1 Feed	135,320 10		135,320-10	91,273-18	34,122-02	6,083-18	131,479-04
No. 1 Feed	90,234 30		90,234 30		14,240-30	3,436-16	17,677 12
No. 2 Feed	75,184-04		75,184 04	7,490 30	37,316-26	6,595-20	51,403-08
Rejected	4,006-16		4,006-16				
N.G. Tgh. No. 2 C.W.	252,184-24	4,085-00	256,269-24	25,000-00	59,557-32	43,107-02	127,665-00
N.G. Dp. No. 2 C.W.	14,086-06		14,086-06	15,000-00			15,000-00
N.G. Tgh. No. 3 C.W.	155,502-02	1,940-20	157,442 22		109,122-32	17,464-24	126,587-22
N.G. Dp. No. 3 C.W.	7,014-04		7,014-04				
N.G. Tgh. Ex. No. 1 Fd.	84,929-14	4,494-14	89,423-28		14,193-18	7,800-00	21,993-18
N.G. Dp. Ex. No. 1 Fd.	3,855-00		3,855-00				
N.G. Tgh. No. 1 Fd.	126,536-26	4,082-02	130,618-28		50,925-00	7,753-18	58,678-18
N.G. Dp. No. 1 Fd.	9,817-32	1,354-04	11,172-02				
N.G. Tf. No. 2 Fd.	50,445 10	2,065-20	52,510-30		31,435-10	1,869-04	33,304-14
N.G. Dp. No. 2 Fd.	10,353-28		10,353-28				
N.G. Tgh. Rej.	7,487-02		7,487-02				
N.G. Tgh. No. 3 C.W. Htg.	8,332-22		8,332-22				
N.G. Tgh. No. 2 Fd. Htg.	2,002-22		2,002-22				
N.G. Tgh. Rej. Mix. Htd.	14,494-04		14,494-04			2,896-06	2,896-06
N.G. Tgh. Rej. Mix. Htd. Htg.	1,780-00		1,780-00			1,786-06	1,786-06
N.G. Tgh. Condemned Htd. Htg.	1,827 32		1,827 32		1,837-22		1,837-22
Rej. Mix. Htd.	4,020-30		4,020 30			3,419-24	3,419-24
Sample		1,550-20	1,550-20				
Total	2,019,030-20	27,478-08	2,046,508-28	1,137,421-17	562,994-14	144,409-00	1,844,024-31
Barley—							
No. 3 C.W.	154,190-14		154,190-14	10,337-14	37,284-38	157,972-04	205,594-08
No. 4 C.W.	71,214 28	3,759-18	74,973-46	4,104-08	24,791-32	37,762-34	66,658-26
Feed	19,800-00		19,800-00		2,750-00	24,962-34	27,712-34
Rejected	8,833-16		8,833-16		2,750-00	12,896-02	15,646-02
N.G. Tgh. No. 3 C.W.	118,125-30		118,125 30		43,179-28	82,700-28	125,880-08
N.G. Dp. No. 3 C.W.	1,293-36		1,293-36				
N.G. Tgh. No. 4 C.W.	71,368-16	1,372-44	72,741-12		11,458-16	33,022-24	44,480-40
N.G. Dp. No. 4 C.W.	6,857-44		6,857-44				
N.G. Tgh. Feed	14,248 16	1,289-38	15,538 06		1,375-00	8,932-24	10,307-24
N.G. Dp. Feed	1,350-40		1,350-40				
N.G. Tgh. Rej.	15,899-28	656-42	16,556-22			6,089-18	6,089-18

N.G. Tgh. No. 4 C.W. Musty	.....	1,669-18	1,669-18	.....	.....	.....	.....
N.G. Tgh. Feed Musty	.....	1,322-04	1,322-04	.....	.....	.....	.....
Rej. Mix. Htd	1,491-12	.....	1,491-12	.....	.....	1,471-32	1,471-32
Total	484,673-40	10,070-20	494,744-12	14,441-22	123,589-18	365,810-08	503,841-00
Flaxseed—							
No. 2 C.W.	26-08	.....	26-08	.....	.....	26-36	26-36
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain—							
No. 1	41,990	.....	41,990	.....	.....	.....	.....
No. 2	.....	80,420	80,420	.....	.....	.....	.....
No. 3	.....	.....	.....	.....	.....	10,750	10,750
Barley and Wild Oats	285,080	.....	285,080	.....	.....	.....	.....
N.G. Tgh. No. 4	62,280	.....	62,280	.....	.....	.....	.....
No. 4	46,690	.....	46,690	.....	.....	.....	.....
Total	436,040	80,420	516,460	.....	.....	10,750	10,750
Screenings	.....	.....	.....	293,190	739,770	33,410	1,066,370
Scalpings	273,430	45,310	318,740	.....	275,140	393,270	668,410

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades of each kind of grain at the Merchants Private Terminal Elevator during the Crop Year 1920-21

Grades	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.
Wheat—							
No. Northern	13,942 50	8,040 20	21,983 10		20,233 20	3,163 20	23,396 40
No. 2 Northern	23,061 20	4,150 00	27,211 20		17,000 00	10,845 00	27,845 00
Dried No. 2 Nor		1,154 40	1,154 40				
No. 3 Northern	126,454 40	4,604 20	131,059 00		62,201 40	133,159 50	195,361 30
No. 4	81,560 40	2,089 50	83,650 30		13,568 20	81,233 30	94,801 50
No. 5	14,287 30	5,562 20	19,849 50		3,133 20	15,405 30	18,538 50
No. 6	12,240 00	976 10	13,216 10		4,866 40	13,922 30	18,789 10
Feed	9,020 20	4,384 00	13,404 20		4,633 20	4,293 00	8,926 20
Rejected No. 2 Nor	535 50		535 50				
Rejected No. 3 Nor	1,836 40	1,625 20	3,462 00			3,819 20	3,819 20
Rejected No. 4	1,360 00	1,088 50	2,448 50			1,380 10	1,380 10
Rejected No. 5		727 20	727 20			2,164 00	2,164 00
Smutty No. 1 Northern	1,083 40		1,083 40				
N.G. Tgh. No. 1 Nor	1,055 20		1,055 20				
N.G. Tgh. No. 2 Nor		800 10	800 10				
N.G. Tgh. No. 3 Nor	20,765 00	1,024 50	21,789 50			3,189 50	3,189 50
N.G. Damp No. 3 Nor	3,216 30		3,216 30				
N.G. Tgh. No. 4	6,124 50		6,124 50			759 00	759 00
N.G. Tgh. No. 5	1,200 50	1,563 50	2,764 40			2,572 50	2,572 50
N.G. Damp No. 5	2,009 00		2,009 00				
N.G. Tgh. No. 6	1,336 00		1,336 00				
N.G. Damp No. 6	1,057 30		1,057 30				
N.G. Tgh. Feed						86 10	86 10
N.G. Tgh. Rej. No. 5	946 30		946 30				
N.G. Tgh. Smutty No. 3 Nor		1,063 00	1,063 00			1,107 30	1,107 30
N.G. Tgh. Smutty No. 6		1,001 40	1,001 40				
N.G. Dp. Rej. No. 2 Nor. Mxd. Cinders	51 30		51 30				
N.G. Tgh. Rej. No. 3 Nor. Med. Sand and Gravel	772 40		772 40				
N.G. Tgh. Rej. No. 4 Htd. Rej. Mxd. Gravel						269 40	269 40
Rejected No. 3 Nor. Rej. Mxd. Htd						241 50	241 50
Total	323,919 10	39,856 40	363,775 50		125,636 40	277,613 00	403,249 40
Oats—							
No. 2 C.W	204,265 00		204,265 00		101,782 32	116,546 06	218,329 04
No. 3 C.W	148,320 00	5,195 20	153,515 20		79,515 30	87,322 23	166,838 19
Ex No. 1 Feed	19,326 26		19,326 26		23,705 30	3,477 32	27,183 28
No. 1 Feed	22,005 00	5,805 00	27,810 00		5,529 14		5,529 14
No. 2 Feed	29,061 16	13,802 02	42,863 18		6,860 20	15,154 04	22,014 24
Rejected	5,136 26	8,364 14	13,501 06			12,580 20	12,580 20

N.G. Tgh. No. 2 C.W.	69,794-24	4,399-24	74,194-14			15,737-02	15,737-02
N.G. Tgh. No. 3 C.W.	87,014-04		87,014-04		3,882-12	15,177-02	19,059-14
N.G. Damp No. 3 C.W.	3,134-24		3,134 24				
N.G. Tgh. Ex. No. 1 Feed	3,853-18		3,853-18				
N.G. Tgh. No. 1 Feed	43,035 10	4,407 22	47,442 32			1,852-02	1,852-02
N.G. Damp No. 1 Feed	1,765 10		1,765-10				
N.G. Tgh. No. 2 Feed	31,583-28	15,296-16	46,880-10		6,075-30	1,942-12	8,018-08
N.G. Tgh. Rejected	3,733-28	11,250 30	14,984 24		1,806-16	2,054-14	3,860-30
N.G. Tgh. Rej. Mxd. Htd.	4,441 06	3,636 16	8,077 22				
N.G. Tgh. No. 3 C.W. Htg.	7,501-06		7,501 06				
Rejected Mxd. Htd.	3,819-24	3,776-06	7,595-30		1,941-06		1,941-06
Sample		2,047 22	2,047 22				
Total	687,792-12	77,982-02	765,774 14		231,100-20	271,844-15	502,945-01
Barley—							
No. 3 C.W.	1,361-12		1,361 12			2,245 07	2,245-07
No. 4 C.W.	3,964-08		3,964 08			4,472 34	4,472-34
Feed	4,448 46		4,448 46		1,308-16	1,772 14	3,080-30
Rejected	3,182-44		3,182-44			2,898-06	2,898-06
N.G. Tgh. No. 3 C.W.	1,246 12		1,246 12			2,507 34	2,507-34
N.G. Tgh. Feed	1,263 26		1,263 26				
N.G. Tgh. Rejected	1,297-34		1,297 34			1,267 24	1,267-24
Total	16,764 38		16,764 38		1,308 16	15,163 23	16,471-39
Rye—							
No. 2 C.W.						85-42	85 42
N.G. Tgh. No. 2 C.W.	85 42		85-42				
Total	85-42		85-42			85-42	85 42
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain—							
No. 2	88,390		88,390				
No. 3		106,170	106,170			66,170	66,170
No. 4	60,750	68,700	129,450			68,750	68,750
Sample		62,400	62,400				
Total	149,140	237,270	386,410			134,920	134,920
Screenings						123,150	123,150
Scalpings	221,390	197,430	418,820		25,000	253,570	278,570

BOARD OF GRAIN COMMISSIONERS FOR CANADA

TATEMENT—Showing the Receipts and Shipments, by Grades of each kind of grain at the Muirhead Private Terminal Elevator during the Crop Year 1920-1921.

Grades	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	bus.	bus.	bus.	bus.	bus.	bus.	bus.
Wheat							
Oats—							
No. 2 C.W.	28,971-16		28,971-16		58,000-00	232,215-10	290,215-10
No. 3 C.W.	5,952-02		5,952-02			10,415-30	10,415-30
No. 2 Feed	4,155-20		4,155-20			2,022-22	2,022-22
N.G. Tgh. No. 2 C.W.	11,710-20	182,177-22	193,888-08				
N.G. Tgh. No. 3 C.W.	3,972-12	59,286-16	63,258-28			4,000-00	4,000-00
N.G. Damp No. 3 C.W.		2,107-02	2,107-02				
Sample		6,240-30	6,240-30				
Sundries						569-04	569-04
Total	54,762-02	249,812-02	304,574-04		58,000-00	249,222-32	307,222-32
Barley—							
No. 3 C.W.	33,398-20		33,398-20		59,958-16	142,489-14	202,447-30
No. 4 C.W.	45,466-42	5,156-12	50,623-06		75,371-28	172,197-36	247,569-16
Feed	31,608-10	11,853-06	43,461-22		9,375-00	28,216-22	37,591-22
Rejected	23,834-28	30,192-44	54,027-24				
N.G. Tgh. No. 3 C.W.	29,855-18	88,700-40	118,556-10				
N.G. Tgh. No. 4 C.W.	19,945-40	106,974-38	126,920-30				
N.G. Tgh. Feed	5,488-40	13,976-02	19,465-06				
N.G. Tgh. Rejected	2,677-04	23,971-12	26,648-16				
Rejected Mxd, Htd						1,473-36	1,473-76
Sample		19,460-20	19,460-20				
Total	192,275-28	300,285-30	492,561-10		144,704-44	344,377-12	489,082-08
Mixed Grain—	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.
No. 3	77,430		77,430				
Barley and Wild Oats	75,580	343,500	419,080			101,020	101,020
Rej. Mxd. Htd. Barley and Wild Oats						134,650	134,650
Total	153,010	343,500	496,510			235,670	235,670
Screenings—						651,910	651,910
Scalpings		124,140	124,140			206,620	206,620

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, of each kind of grain at Mutual Private Terminal Elevator during the Crop Year 1920-1921

Grades	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	bus.	bus.	bus.	bus.	bus.	bus.	bus.
Wheat—							
No. 1 Hard	7,940 20		7,940-20				
No. 1 Northern	2,676,480 00		2,676,480-00	1,620,746-00	359,683-20		1,980,429-20
No. 2 Northern	1,721,839 50		1,721,839 50	3,030,424-30	193,716-40		3,224,141-10
No. 3 Northern	1,691,986 20		1,691,986 20	1,140,581-30	237,150 00		1,377,731-30
Number 4	332,635 00	2,229 30	334,864 30	254,780-10	66,100-00		320,880-10
Number 5	66,959 06	16,444 30	83,394 30	103,530-50	41,100-00		144,630 50
Number 6	27,143-10	17,178-50	44,322-00		1,100-00		1,100-00
Feed	3,178 20	1,051 00	4,229 20			750-00	750-00
Rejected No. 1 Northern	85,173 40		85,173 40	35,173-50			35,173 50
Rejected No. 2 Northern	30,361 20		30,361 20	13,436-40		1,420-00	14,856 40
Rejected No. 3 Northern	30,740 10		30,740 10				
Rejected Number 4	6,545 10		6,545-10				
Rejected No. 3 Nor. Sprtd	11,236-50	2,182-10	13,419-00				
Rejected No. 4 Sprtd	2,032-30		2,032-30				
Smutty No. 1 Northern	3,111 00		3,111 00				
Smutty No. 2	2,979-40		2,979-40				
Smutty No. 3 Northern	1,731 30		1,731-30				
N.G. Tgh No. 1 Northern	17,711-20	2,602-30	20,314-50				
N.G. Damp No. 1 Northern	4,136-50		4,136-50				
N.G. Tgh. No. 2 Northern	31,070-00	9,544-00	40,614-00				
N.G. Damp No. 2 Northern	13,049 50		13,049 50				
N.G. Tgh. No. 3 Northern	126,113 30	28,196 30	154,310 00				
N.G. Damp No. 3 Northern	34,899 00		34,899 00				
N.G. Tgh. No. 4	31,666-10	11,444-00	43,109-10				
N.G. Damp No. 4	5,622 50		5,622-50				
N.G. Tgh. No. 5	13,223-30	9,758-00	22,981-30				
N.G. Damp No. 5	2,237 50		2,237 50				
N.G. Tgh. No. 6	8,732 30	2,863-10	11,595 40				
N.G. Damp No. 6	3,308-40		3,308-40				
N.G. Tgh. Feed		1,533 20	1,533 20				
N.G. Tgh. Rejected No. 3 Nor	2,709-20		2,709-20				
N.G. Tgh. Rejected No. 4	1,978 30		1,978 30				
N.G. Tgh. Smutty No. 3 Northern	642 00		642-00				
N.G. Tgh. Rejected No. Nor. Sprtd	7,590 10	3,188 20	10,778 30				
N.G. Tgh. Rej. No. 3 Nor. Mxd. Htd	1,106-20		1,106-20				
Total	7,007,862 10	108,216-50	7,116,079-00	6,198,673 30	898,850-00	2,170-00	7,099,693-30

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, of each kind of grain at Mutual Private Terminal Elevator during the Crop Year 1920-21—*Concluded*

Grades	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Bush.	Bush	Bush.	Bush.	Bush.	Bush.	Bush.
Oats—							
2 C.W	4,545-00		4,545 00	3,107-22		3,824-18	6,932-06
No. 3 C.W	7,763-18		7,763-18	28,789-24	4,080-30		32,870-20
Ex. No. 1 Feed	1,025-30		1,025 30				
No. 1 Feed	868-18		868-18				
No. 2 Feed	14,020-18		14,020-18	64,871-06			64,871-06
Rejected	5,551-16		5,551-16				
N.G. Tgh. No. 2 C.W	29,788-28		29,788 28	6,638-28			6,638-28
N.G. Tgh. No. 3 C.W	29,776-04		29,776-04	14,940-00			14,940-00
N.G. Damp 3 C.W	1,544-14		1,544-14				
N.G. Tgh. Ex. No. 1 Feed	3,670-00		3,670-00	1,000-00			1,000-00
N.G. Tgh. No. 1 Feed	25,718-28		25,718-28	750-00			750-00
N.G. Tgh. No. 2 Feed	37,868-08		37,868-08	10,000-00			10,000-00
N.G. Damp No. 2 Feed	2,000-10		2,000-10				
N.G. Tgh. Rejected	6,817-12		6,817-12	35,000-00			35,000-00
N.G. Tgh. No. 3 C.W. Htg	4,013-08		4,013-08				
N.G. Tgh. No. 1 Feed Htg	1,852-22		1,852 22				
N.G. Tgh. Rej. Mxd. Htd	7,805-00		7,805 00	33,753-18			33,753-18
N.G. Tgh. Rej. Mxd. Htd. Htg	6,126 16		6,126-16				
N.G. Tgh. Cond. Htd. Htg	1,703 08		1,703-08				
Total	192,459 20		192,459-20	198,850-30	4,080-30	3,824-18	206,756-10
Rye—							
No. 2 C.W	11-14		11-14				
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain—							
N.G. Tgh. No. 2	63,240		63,240				
Screenings				3,300,370	1,189,650	1,182,610	5,672,630
Scalpings				1,502,000	2,642,500	714,000	4,858,500

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by grades, of each kind of grain at the Mt. McKay Flour and Feed Co., operating under a manufacturing elevator license during the Crop Year 1920-21.

Grades	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.
Wheat—							
No. 6	1,129-10	.....	1,129-10	.....	.....	1,282-50	1,282-50
N.G. Damp Smutty No. 3 Nor	.....	362-50	362-50	.....	.....	.....	.....
Total	1,129-10	362-50	1,492-00	.....	.....	1,282-50	1,282-50
Oats—							
No. 2 C.W	.....	1,766 01	1,766 01	.....	.....	2,738-08	2,738-08
N.G. Tgh. No. 3 C.W	.....	.....	.....	.....	.....	3,041-16	3,041-16
N.G. Tgh. Ex. No. 1 Feed	.....	3,827-22	3,827-22	.....	.....	.....	.....
N.G. Tgh. No. 2 Feed	.....	.....	.....	.....	.....	1,782-32	1,782-32
N.G. Tgh. Rejected	.....	.....	.....	.....	.....	1,941-26	1,941-26
N.G. Tgh. No. 1 Feed Htg	.....	2,147-02	2,147-02	.....	.....	.....	.....
Rejected Mxd. Htd	.....	.....	.....	.....	1,800-00	.....	1,800-00
Total	.....	7,740-25	7,740-25	.....	1,800-00	9,504-14	11,304-14

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, of each Kind of Grain at Patersons Private Terminal Elevator- during the Crop Year 1920-1921.

Grades	Receipts from West	Transfers	Receipts by Vessels	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments.
Wheat—	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.
No. 1 Hard	1,098 40		8,025 40	9,115 20				
No. 1 Northern	760,723 00		16,974-20	777,697 20	654,622-10	99,866-40	925 50	755,414-40
Dried No. 1 Nor			5,667 30	5,667 30				
No. 2 Northern	966,728 30		585-40	967,314 10	1,128,052-00	170,500 00	339 10	1,298 891-10
Dried No. 2 Nor			4,667 30	4,667 30				
No. 3 Northern	1,354,820-40	28,220-20	444,264 10	1,827,305-10	2,459,994 40	395,916 40	3,089-10	2,859,000 30
Number Four	364,280-45	30,026 50	463,587-30	857,895 05	438,863 30	22,633 20	923-10	462,420-00
Number Four Spec			1,115 40	1,115 40				
Number Five	33,758 40	32,182 20	194,473 30	260,414 30	379,808 10	191,566 40	1,410-00	572,784-50
Number Five Spec			4,314 40	4,314 40				
Number Six	15,486 00	39,001 10	107,580 10	162,067-20			523-20	523-20
Feed	1,416 40	7,149 40	59,187 30	67,753-50				
Rej. No. 1 Northern	161,093 10	1,438 40	44,5 6 20	207,128 10	172,388 20			172,388-20
*Rej. No. 2 Northern	80,073 30	1,495 20	65,194 30	146,763 20	110,859 20	2,666-40	1,055-50	114,581-50
Rejected No. 4	10,358 40	2,899 00	6,560 20	19,818 00			956-10	956-10
Rejected No. 4 Spec			2 00	2-00				
Rejected No. 5	1,039-30	756-50	2,336 40	4,133-00				
Rejected No. 6			27-30	27-30				
Rejected No. 3 Nor. Sprtd	12,466 50	4,766 40	24,143-20	41,376 50				
Rejected No. 4 Sprtd	6,239-30		5,728-10	11,967-40				
Rej. No. 1 Nor. Mxd. Gravel			15-20	15-20				
Smutty No. 1 Northern	1,490 50	7,877-30	3,662-50	12,995 10				
Smutty No. 2 Northern	2,540 00	6,370-20	40,579 10	49,489 30				
Smutty No. 3 Northern	7,499 30	12,333 40	45,681-50	65,515-00	277,223-30			277,223-30
Smutty Number 4	3,182 40	6,336 50	25,924 00	35,443 30				12,146-50
Smutty Number 5	1,611 00	1,293-20	9,674 50	12,669 10	20,394-20			20,394-20
Smutty Number 6			1,309-10	1,309-10				
Smutty Rejected No. 2 Nor			1,487 30	1,487 30				
Smutty Rejected No. 3 Nor	980 10		7,865 00	8,845 10				
Smutty Rejected No. 4	747-10	1,077 10	586 10	2,410 30				
N.G. Tgh. No. 1 Northern	7,190-30	5,542 30	37,804 50	50,537-50		1,100-00		1,100-00
N.G. Tgh. No. 2 Northern	14,944-40	21,023 40	132,687 30	168,655 50				
N.G. Damp No. 2 Northern	4,783-40			4,783-40				
N.G. Tgh. No. 3 Northern	76,290-20	53,693 50	204,308-50	334,292 40				
N.G. Damp No. 3 Northern	33,161 50	1,446 10		34,608 00				
N.G. Tgh. Number 4	18,589 40	16,569 00	70,453 30	105,612 10	15,085-10			15,085-10
N.G. Tgh. Number 4 Spec			11,954 40	11,954 40				
N.G. Damp Number 4	7,874-00			7,874 00				
N.G. Tgh. Number 5	2,360-30	1,147-20	17,046-30	20,554-20				
N.G. Damp Number 5	5,132-10			5,132-10				

N.G. Tgh. Number 6		3,117 30	9,962-20	13,139-50				
*Rejected No. 3 Nor. (Omitted)	66,860 10	1,771-00	43,859-40	112,490-50	49,910-50	2,600 00		52,510-50
N.G. T.g.h Feed		1,111 10	7,175-40	8,286-50				
N.G. Damp Feed	1,257-20			1,257-20				
N.G. Tgh. Rrj. No. 2 Nor			3,508 30	3,508 30				
N.G. Tgh. Rrj. No. 3 Nor.	1,787 30	1,268-00	3,863-00	6,918 30				
N.G. Tgh. Rej. No. 4	2,061-40		593 40	2,655-20				
N.G. Damp Rej. No. 4	333 40			333-40				
N.G. Thg. Rej. No. 5			585 20	585 20				
N.G. Tgh. Rej. No. 3 Nor. Sprtd	2,322 10	1,363 10	11,245 00	14,930 20				
N.G. Tgh. Rej. No. 4 Sprtd	1,029-00		1,993 50	3,022 50				
N.G. Tgh. Smutty No. 1 Nor			941 00	941-00				
N.G. Tgh. Smutty No. 2 Nor	1,412 10		16,064 10	17,476-20				
N.G. Tgh. Smutty No. 3 Nor	5,469 30	10,578 20	33,987-30	50,035-20				
N.G. Tgh. Smutty No. 4	2,916-20		18,783-50	21,700 10				
N.G. Tgh. Smutty No. 5			4,350-10	4,350 10				
N.G. Tgh. Smutty No. 6			2,288-40	2,288 40				
N.G. Tgh. Smutty Rej. No. 3 Nor	1,165 30			1,165-30				
N.G. Tgh. Smutty Rej. No. 4			2,294-50	2,294 50				
N.G. Tgh. Rej. No. 1 Nor. Mxd. Htd			325 10	325 10				
N.G. Tgh. Rej. No. 2 Nor. Mxd. Htd			2,735-50	2,735 50				
N.G. Tgh. Rej. No. 3 Nor. Mxd. Htd	1,035 00		3,231 10	4,266 10				
N.G. Tgh. Rej. No. 4 Mxd. Htd			2,482-10	2,482 10				
N.G. Tgh. Rej. No. 6 Mxd. Htd			1,036 30	1,036 30				
N.G. Damp Rej. No. 6 Mxd. Htd	236 20			236 20				
N.G. Tgh. Rej. No. 2 Nor. Mxd. Hrd. Htg	945 30			945 30				
N.G. Damp No. 3 Nor. Htg	887 20			887 20				
N.G. Tgh. Rej. No. 3 Mxd. Fireburnt			441-10	441-10				
N.G. Tgh. Smutty Rej. No. 3 Nor. Mxd, Htd			413 20	413 20				
N.G. Damp Smutty Rej. No. 3 Nor. Mxd. Htd	1,061 10			1,061-10				
N.G. Tgh. Smutty Rej. No. 4 Mxd. Htd			984 00	984 00				
N.G. Tgh. Smutty Rej. No. 5 Mxd. Htd			7 50	7 50				
N.G. Tgh. Smutty No. 2 Nor. Htg	352-00			352-00				
N.G. Tgh. Smutty No. 4 Mxd. Htd. Smoky Fireburnt						1,752 40		1,752-40
N.G. Tgh. Condemned No. 1			714 40	714 40				
N.G. Tgh. Condemned No. 1 Htg	162 20		608 20	770 40				
N.G. Damp Condemnied No. 2 Htd. Htg	285 10		361 00	646 10				
Rej. 2. Nor. Mxd. Htd	1,639-30	3,973-20	2,957 40	8,570 30				
Rej. 3 Nor. Mxd. Htd	1,037-00	4,103-50	2,698-40	7,839-30	28,717 00			28,717-00
Rej. No. 4 Mxd. Htd	1,321-50	1,406-30	3,819 20	6,547-40				
Rej. No. 5 Mxd. Htd	1,456 00		98 00	1,554 00				
Rej. No. 6 Mxd. Htd			35 30	35-30	61,291 00			61,291 00
Rej. 3 Nor. Rej. Mxd. Htd	1,027 30		982-00	2,009-30				
Rej. 2 Nor. Mxd. Fireburnt	344-00		259 50	603-50				
Rej. No. 4 Sprtd. Rej. Mxd. Htd	967 20			967 20				
Smutty Rej. 2 Nor. Mxd. Htd			1,098 40	1,098-40				
Smutty Rej. 3 Nor. Mxd. Htd			1,335-40	1,336-40	50,659-10			50,659 10
Condemned No. 1			1,287-40	1,287-40				
Condemned No. 2			509-30	509-30		1,023-50		1,023-50

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, of each Kind of Grain at the Paterson Private Terminal Elevator during the Crop Year 1920-21—*Concluded*

Grades	Receipts from West	Transfers	Receipts by Vessels	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.
Wheat—Continued—								
Condemned No. 2 Htd			1,209 10	1,209-10				
No. 1 A.R.W	1,041-30		4,733-30	5,775-00				
No. 4 W			277-10	277-10				
Smutty No. 1 A.R.W			3,413-40	3,413-40				
No. 1 Durum	1,090-40		1,471-10	2,561 50				
No. 2 Durum	3,051-50		13,349-00	16,400-50	27,513-40			27,513-40
No. 3 Durum	8,662-30	1,227-40	25,759-20	35,649-30	23,474-10			23,474-10
Rejected No. 2 Durum	2,561-30		6,636-10	9,197-40				
Rejected No. 3 Durum	2,100-10		9,149-50	11,250-00				
N.G. Tgh. No. 2 Durum			998-00	998-00				
N.G. Tgh. No. 3 Durum			1,546-20	1,546-20				
Spring and Durum	6,275-40	1,061 30	5,470 20	12,807 30				
Rejected, Spring and Durum			905-00	905-00				
N.G. Tgh. Spring and Durum			870-00	870-00				
Sample	1,066-40	14,893 30		15,960 10				
Smutty Sample		1,403-00		1,403-00				
No Established Grade	589-20			589-20				
Total	4,083,766-35	329,986-40	2,335,838 20	6,749,591 35	5,911,003-50	889,626-30	9,222-40	6,809,853-00
Oats—								
No. 2 C.W	126,898-18	6,174 14		133,072 32	52,520 20	137,259-24	48,573-28	238,354-04
No. 3 C.W	225,201-14	1,835-10	43,500 00	270,536 24	124,580-30	143,941-06	72,358-18	340,880-20
Ex. No. 1 Feed	72,141-26		83,739-24	155,881-16	100,000-00	23,888-08	36,219-14	160,107-22
No. 1 Feed	110,245-18	2,016-26	91,506 21	203,768-31		103,282-22	55,310-00	158,592-22
No. 2 Feed	146,775 30	43,012 02	435,047-26	624,835 24	1,861,677 00	193,411-26	55,312-12	2,110,401-04
Rejected	23,061-26	12,117 12	145,281 18	180,160 22				
N.G. Tgh. No. 2 C.W	91,249-04	9,911-06	27,853-18	129,013-28				
N.G. Damp No. 2 C.W	16,121-06			16,121-06				
N.G. Tgh. No. 3 C.W	88,846-16	12,127-32	123,115-30	224,090-10				
N.G. Damp No. 3 C.W	37,700-24		134-04	37,834-28				
N.G. Tgh. Ex. No. 1 Feed	37,843-04		93,092-02	130,935-06				
N.G. Damp Ex. No. 1 Feed	11,839 14			11,839-14				
N.G. Tgh. No. 1 Feed	80,780-20	17,544 14	468,707-25	567,032-25		6,000-00		6,000-00
N.G. Damp No. 1 Feed	15,474-14		5,770-00	21,244 14				
N.G. Tgh. No. 2 Feed	55,119-14	1,979 04	326,918-08	384,016-26		1,941-06		1,941-06
N.G. Damp No. 2 Feed	18,978 18		3,758 28	22,737-12				
N.G. Tgh. Rejected	5,370-00	3,887-02	52,401-17	61,658-19				
N.G. Damp Rejected	3,664-04		2,047-12	5,711-16				
N.G. Tgh. No. 2 C.W. Htg	1,966-16		1,915-10	3,881-26				

N.G. Tgh. No. 2 Feed Htg.	1,932-22			1,932-22				
N.G. Tgh. Rejected Htg.	7,230 30			7,230 30				
N.G. Tgh. Rejected Mxd. Htd.	2,639-14	1,738-18		4,377-32				
N.G. Damp Rejected Mxd. Htd.	5,622 02			5,622 02				
N.G. Tgh. Condemned						3,882-12		3,882-12
N.G. Damp Condemned	1,979 24			1,979-24				
N.G. Damp Cond. Htd. and Htg.	2,257-12			2,257-12				
Rejected Mxd. Htd.	16-16	1,804-14	8,034-08	9,855-04	248,125-00	8,647-02		256,772-02
Rejected Mxd. Htg.	2,063 28			2,063-28				
Condemned			3,344-18	3,344-18				
Condemned Htd.	322 02	2,378 18	9,268 02	11,968 22				
Oats and Wild Oats			58 08	58-08				
Sample		27,797 22		27,797-22				
Total	1,193,342 28	144,324-24	1,925,495 07	3,263,162 25	2,386,903-16	622,254-04	267,774 04	3,276,931-24
Barley—								
No. 3 C.W.	249,980-11	5,937-24	23,209-38	279,127-25	12,353-16	90,416-32	170,002-44	272,772-44
No. 4 C.W.	179,956-08	45,478-06	83,060-34	308,495-00	365,832-24	73,208-16	190,116-02	629,156-42
Feed	62,634-32	30,535-00	123,804-12	216,973-44	218,874-28	27,416-32	81,603-26	327,894-38
Rejected	91,386 02	27,996 32	135,927 40	255,310 26	47,596 02	19,041-32	66,143-46	132,781-32
N.G. Tgh. No. 3 C.W.	29,745-32	19,340-40	21,481-01	70,567-25				
N.G. Tgh. No. 4 C.W.	42,959-18	19,121-22	70,135-14	132,216-06				
N.G. Damp No. 3 C.W.	4,214 02			4,214 02				
N.G. Damp No. 4 C.W.	5,523-36			5,523-36				
N.G. Tgh. Feed	3,805-44	9,858-16	40,921-30	54,585-42				
N.G. Tgh. Rejected	13,201-22	4,771-32	14,975-18	32,948-24				
N.G. Damp Rejected	1,856-32			1,856-32				
N.G. Tgh. No. 3 C.W. Htg.	1,336-42			1,336-42				
N.G. Damp No. 4 C.W. Htg.	546-22			546-22				
N.G. Tgh. Feed Htg.	1,223-06			1,223-06				
N.G. Tgh. Rej. Mxd. Htd.		1,362 44		1,362 44				
N.G. Tgh. Rej. Mxd. Htd. Htg.	2,263 36			2,263 36				
Rejected Mxd. Htd.		2,461-02	4,927-42	7,388-44				
Condemned			277 24	277-24				
Condemned Htd.			445 00	445-00				
Barley and Wild Oats			3,381 06	3,381 06				
Total	690,634 09	166,863 26	522,547-19	1,380,045 06	644,656 22	210,083-16	507,866-22	1,362,606-12
Flarseed—								
No. 1 N.W.C.	564-03			564-03			108-25	108-25
No. 2 C.W.	133-40			133-40			107-33	107-33
No. 3 C.W.	231 23			231 23			132-55	132-55
N.G. Tgh. No. 2 C.W.	48-02			48-02				
Flax and Broken Wheat	163-27			163-27			411-47	411-47
Flax and False Flax	29-20			29-20				
Total	1,170-03			1,170-03			760-48	760-48

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, of each Kind of Grain at Paterson's Private Terminal Elevator, during the Crop Year 1920-21—*Continued.*

Grades	Receipts from West	Transfers	Receipts by Vessels	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.
Rye—								
No. 2 C.W.	1,134-20			1,134-20			1,304-12	1,304-12
Rejected	20-40			20-40			6 -22	64-22
N.G. Tgh. No. 2 C.W.	202-25			202-25				
Total	1,357-29			1,357-29			1,368-34	1,368-34
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain—								
No. 1	135,040		910	135,950				
No. 2	118,800			118,800				
No. 3	340,720	131,320	122,660	594,700				
No. 4	150,860			150,860			68,710	68,710
Rej. No. 1 Htd			320	320				
Wheat and Rye	22,990			22,990				
Wheat, Wild Oats and Oats	36,260			36,260				
Wheat, Barley, Rye Oats and Wild Oats							53,450	53,450
Oats and Wild Oats	62,160			62,160				
Barley and Wild Oats	602,140	113,260	156,490	871,890				
Oats, Wild Oats and Barley	7,770			7,770				
Rye, Wheat and Wild Oats	17,750			17,750				
Flax and Broken Wheat	12,770			12,770				
Sample		142,990		142,990				
Total	1,507,260	387,570	280,380	2,175,210			122,160	122,160
Screenings		111,380		111,380	342,000	344,550	112,710	799,260
Scalpings	1,754,760	183,540	2,738,990	1,938,300			132,000	132,000

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by grades, of each kind of Grain at the Western "G" Private Terminal Elevator, during the Crop Year 1920-21

Grades	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.
Wheat—							
No. 1 Northern	15,899-00		15,899-00	15,687-20			15,687-20
Dried No. 1 Northern		2,427-10	2,427-10				
No. 2 Northern	30,583-40	2,582-20	33,166-00	31,987-20		2,403-40	34,391-00
Dried No. 2 Northern	1,105-40	37,680-50	38,786-30				
No. 3 Northern	1,733,542-00	11,815-20	1,745,357-20	2,388,194-50	458,066-40		2,846,261-30
No. 4	367,941-00	53,118-50	421-059-50	51,685-30		2,723-00	54,408-30
No. 5	41,702-40	6,760-00	48,462-40				
No. 6	11,623-30	3,803-10	15,426-40				
Feed		8,357-10	8,357-10				
Rejected No. 1 Nor	5,143-50		5,143-50				
Rejected No. 2 Nor	13,937-10	4,878-00	18,815-10				
Rejected No. 3 Nor.	14,323-30	28,435-50	42,759-20				
Rejected No. 4	1,322-50	6,173-30	7,496-20				
Rejected No. 4 Spec		760-00	760-00				
Rejected No. 3 Nor. Sprtd	21,851-10	1,082-40	22,933-50				
Rejected No. 4 Sprtd	1,447-30		1,447-30				
Smutty No. 1 Northern	1,406-40		1,406-40				
Smutty No. 2 Northern	1,048-00	2,694-40	3,742-40				
Smutty No. 3 Northern	4,579-20		4,579-20				
Smutty Rej. No.2 Northern		698-00	698-00				
N.G. Tgh. No. 1 Northern	12,410-20	1,241-40	13,652-00				
N.G. Damp No. 1 Northern	3,683-50	1,560-20	5,244-10				
N.G. Tgh. No. 2 Northern	53,763-10	8,674-30	62,437-40				
N.G. Damp No. 2 Northern	22,745-20	7,617-00	39,362-20				
N.G. Tgh. No. 3 Northern	152,640-50	33,384-00	186,024-50				
N.G. Damp No. 3 Northern	44,700-40	7,407-20	52,108-00				
N.G. Tgh. No. 4	26,776-40	9,573-00	36,349-40				
N.G. Damp No. 4	14,445-20	1,500-40	15,946-00				
N.G. Tgh. No. 5	12,513-00	1,014-30	13,527-30				
N.G. Damp No. 5	1,289-00		1,289-00				
N.G. Tgh. No. 6	1,976-30	1,034-30	3,011-00				
N.G. Damp No. 6	1,111-00		1,111-00				
N.G. Tgh. Feed		1,351-20	1,351-20				
N.G. Tgh. Rej. No. 2 Northern	918-50		918-50				
N.G. Tgh. Rej. No. 3 Northern	3,328-50		3,328-50				
N.G. Tgh. Rej. No. 3 Nor. Sprtd	6,998-10	1,001-20	7,999-30				
N.G. Tgh. Rej. No. 4 Sprtd	524-20	1,098-00	1,622-20				
N.G. Tgh. Rej. No. 4 Mxd. Gravel	52-30		52-30				
N.G. Damp Smutty No. 2 Northern	1,407-50		1,407-50				
N.G. Tgh. Smutty No. 3 Northern		113-30	113-30				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, of each kind of grain at the Western " G " Private Terminal Elevator during the Crop Year 1920-21

Grades	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.
N.G. Damp Smutty No. 3 Northern	275-50		275-50				
N.G. Tgh. Smutty No. 4	448-50		448-50				
N.G. Tgh. Smutty No. 4 Spec.		721-40	721-40				
N.G. Damp Rej. No. 3 Nor. Mxh. Htd	1,347-00		1,347-00				
N.G. Tgh. Rej. No. 4 Mxd. Htd.	248-00		248-00				
N.G. Tgh. Rej. No. 4 Mxd. Htd. Htg.	1,264-40	941-20	2,206-00				
N.G. Damp Rej. No. 3 Nor. Mxd. Fireburnt	1,081-40		1,081-40				
Rejected No. 2 Nor. Mxd. Htd.		3,861-40	3,861-40				
Rejected No. 3 Nor. Mxd. Htd.	978-00	371-40	1,349-40			978-00	978-00
Rejected No. 4 Mxd. Htd.		218-40	218-40				
Rejected No. 1 Nor. Mxd. Cinders		1,601-20	1,601-20				
Rejected No. 4 Mxd. Fireburnt		1,401-10	1,401-10				
Condemned No. 2 Htd.		158-00	158-00				
Sample	4,109-50	58,561-10	62,671-00				
Smutty sample		1,208-50	1,208-50				
No. 3 Durum	1,614-50		1,614-50				
Spring and Durum	2,494-20	3,332-40	5,827-00				
Smutty Spring and Durum						1,392-30	1,392-30
Total	2,642,606-40	320,217-20	2,962-824-00	2,487,555-00	458,066-40	7,497-10	2,953,118-50
Oats—							
No. 2 Feed	281-16		281-16		640-20	943-18	1,584-04
Barley—							
No. 3 C.W.	4,727-24		4,727-24	6,831-32			6,831-32
No. 4 C.W.	3,478-06		3,478-06	2,758-16			2,758-16
N.G. Tgh. No. 3 C.W.	1,283-06		1,283-06				
Total	9,488-36		9,488-36	9,590-00			9,590-00
Flaxseed—							
Flax and broken Wheat	93-49		93-49				
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain—							
No. 1		65,930	65,930		65,930		65,930
No. 3		125,110	125,110		125,110		125,110
N.G. Damp No. 2	87,030		87,030				
Sheat and Rye	36,040	64,320	100,360				

Wheat, Oats and Rye	.....	57,400	57,400	.....	.....	.....	.....
Wheat and Ragweed	64,280	.....	64,280	.....	.....	65,590	65,590
Sample	.....	226,400	226,400	.....	.....	.....	.....
Total	187,350	539,160	726,510	.....	191,040	65,590	256,630
Screenings	.....	97,680	97,680	1,576,720	320,000	126,550	2,023,270
Scalpings	.....	278,170	278,170	.....	1,520,000	1,360,940	2,880,940

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, of each kind of grain at the National Private Terminal Elevator, during the Crop Year, 1920-21

Grades	Receipts from West	Transfers	Totals Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Transfers Shipments
	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.
Wheat—							
No. 1 Hard	1,503—20		1,503—20				
No. 1 Northern	12,744—20		12,744—20		1,100—00	8,699—40	9,799—40
No. 2 Northern	18,859—20		18,859—20		8,503—00	46,692—30	55,195- 30
No. 3 Northern	380,622—10		380,622—10		292,908—20	548,735— 10	841,643—30
No. 4	328,271—10		328,271— 10		126,444—20	193,117—10	319,561—30
No. 5	137,686—00		137,686—00		65,128—20	96,867—50	161,996—10
No. 6	59,668—10		59,668—10		11,415—30	22,993—50	34,409—20
Feed	13,994—10		13,994—10		5,297—10	47,661—20	52,958—30
Rej. No. 1 Northern	12,864—00	10,307—20	23,171—20				
Rej. No. 2 Northern	24,435—30	6,500—20	30,935—50				
Rej. No. 3 Northern	27,976—00	13,691—20	41,667—20				
Rej. No. 4	5,571—00	1,891—30	7,462—30				
Rejected No. 5	407—50	2,454—30	2,862—20				
Rej. No. 6		831—20	831—20				
Rej. No. 3 Nor. Sprtd	11,008—10	2,313—00	13,321—10				
Rej. No. 1 Nor. Mxd. Gravel	1,539—40	1,432—40	2,972—20				
Rej. No. 1 Nor. Mxd. Coal	1,060- 30		1,060—30				
Rej. No. 2 Nor. Mxd. Gravel	1,106—00		1,106—00				
Rej. No. 3 Nor. Mxd. Gravel	968—00	1,001- 20	1,969—20				
Rej. No. 3 Nor. Mxd. Gravel and Cinders	86—10		86—10				
Rej. No. 4 Mxd. Gravel		1,150- 40	1,150—40				
Rej. No. 2 Nor. Mxd. Coal and Cinders	923—10		923—40				
Rej. No. 2 Nor. Mxd. Gravel and Cinders	31- 40		31—40				
Rej. No. 2 Nor. Mxd. Fireburnt		813- 40	813—40				
Rej. No. 3 Nor. Mxd. Fireburnt		1,330- 20	1,330—20				
Smutty No. 1 Northern	1,136—30		1,136—30			2,044—10	2,044—10
Smutty No. 2 Northern	5,363- 50		5,363—50			1,364—20	1,364—20
Smutty No. 3 Northern	6,590- 10		6,590—10			905—00	905—00
Smutty Number 4	1,440—50		1,440—50				
Smutty Number 5	2,212—10		2,212- 10				
Smutty Rej. No. 3 Nor	1,478—00		1,478—00				
N. G. Tgh. No. 1 Northern	8,413—20		8,413—20				
N. G. Tgh. No. 2 Northern	30,631—00	3,008—00	33,639—00			2,184—30	2,184—30
N. G. Damp. No. 2 Northern	3,455—00		3,455- 20				
N. G. Tgh. No. 3 Northern	85,942—50	4,368- 10	90,311—00		5,672—40	3,636—50	9,309—30
N. G. Damp No. 3 Northern	28,129—30		28,129—30				
N. G. Tgh. Number 4	45,514—40	1,450—30	46,965—10		1,456—00	1,118—10	2,574—10
N. G. Damp Number 4	25,031—40		25,031—40				

N. G. Tgh. Number 5	24,049—30		24,049—30			
N. G. Damp Number 5	13,880—30		13,880—30		1,558—30	1,558—30
N. G. Tgh. Number 6	8,515—00		8,515—00			
N. G. Damp Number 6	4,618—50		4,618—50			
N. G. Tgh. Feed	887—50		887—50			
N. G. Tgh. Rej. No. 2 Nor	1,041—10		1,041—10			
N. G. Damp Rej. No. 3 Nor	622—00		622—00			
N. G. Tgh. Rej. No. 5		1,122—10	1,122—10			
N. G. Damp Rej. No. 5	391—30		391—30			
N. G. Tgh. Rej. No. 3 Nor. Sprtd	8,145—10	2,802—00	10,947—10			
N. G. Damp Rej. No. 3 Nor. Sprtd	3,481—40		3,481—40			
N. G. Damp Rej. No. 2, 4 Sprtd	191—30		191—30			
N. G. Tgh. Smutty No. 3 Not	2,233—30		2,233—30			
N. G. Damp Smutty No. 3 Nor	1,025—40		1,025—40			
N. G. Tgh. Smutty No. 4	641—40		641—40			
N. G. Tgh. Rej. No. 2 Nor. Mxd. Gravel		4,521—30	4,521—30			
N. G. Tgh. Rej. No. 2 Nor. Mxd. Coal and Cinders	89—30		89—30			
N. G. Tgh. Rej. No. 3 Nor. Mxd. Gravel	3,234—40		3,234—40			
N. G. Damp. Rej. No. 3 Nor. Mxd. Coal and Cinders	161—40		161—40			
N. G. Tgh. Rej. No. 3 Nor. Mxd. Gravel and Cinders	33—30		33—30			
N. G. Tgh. Rej. No. 3 Nor. Mxd. Coal and snow	1,424—50		1,424—50			
N. G. Damp Rej. No. 3 Nor. Mxd. Coal and Snow	963—10		963—10			
N. G. Damp Rej. No. 5 Mxd. coal and ice	72—00		72—00			
N. G. Tgh. No. 3 Nor. Htg	1,358—00		1,358—00			
N. G. Damp No. 4. Htg	524—30		524—30			
N. G. Tgh. No. 6 Htg	1,040—40		1,040—40			
N. G. Tgh. Feed Htg	438—20		438—20			
N. G. Tgh. Rej. No. 3 Nor. Mxd. Htd		496—50	496—50			
N. G. Tgh. Rej. No. 4 Mxd. Htd	1,455—30		1,455—30		2,642—30	2,642—30
N. G. Tgh. Rej. No. 3 Nor. Mxd. Htg	402—10		402—10			
N. G. Tgh. Smutty Rej. No. 4 Mxd. Sand and Gravel	1,022—30		1,022—30			
N. G. Tgh. Cond. No. 1 Htd. Htg	50—00		50—00		50—00	50—00
N. G. Tgh. Cond. No. 1 Htd	397—00		397—00			
Rej. No. 3 Nor. Mxd. Htd	1,121—20		1,121—20		1,261—30	1,261—30
Rej. No. 3 Nor. Rej. Mxd. Htd	1,442—01		1,442—10		1,091—40	1,091—40
No. 1 Durum		2,363—30	2,363—30			
N. G. Tgh. No. 3 Durum	1,518—20		1,518—20			
Spring and Durum	2,236—00	695—10	2,931—10			
No. Estb. Grade	1,031—30	4,684—00	5,715—30			
Total	1,376,409—10	69,229—50	1,445,639—00		517,925—20	982,624—40	1,500,550—00
Oats—						
No. 2 C.W	25,655–20	29,320–20	54,976–06		18,837–32	111,283–18	130,121–16
No. 3 C.W	132,216 06	20,212 12	152,428 18		41,204 04	13,395 00	54,599 04
Ex. No. 1 Feed	24,719 14	1,007 12	25,726–26		11,565–30		11,565 30
No. 1 Feed	147,422 20		147,422 20		53,469–14	20,962 22	74,432 02
No. 2 Feed	211,912 14	1,674 04	213,586 18		133,105–10	168,210 10	301,315 20
Rejected	34,307–22	2,454–14	36,762–02			5,990–20	5,990–20

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, of each kind of grain at the National Private Terminal Elevator during the Crop Year 1920-21—*Con*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.
Oats—Con							
Rej. Mxd. Gravel	3,425-10		3,425-10				
Rej. Mxd. Sand Gravel		2,040-10	2,040 10				
N.G. Tgh. No. 2 C.W.	191,917-00	7,998-18	199,915-18		5,441-06		5,441-06
N.G. Damp No. 2 C.W.	6,385-10		6,385-10				
N.G. Tgh. No. 3 C.W.	213,653-08	4,383-18	218,036-26		1,897-02		1,897-02
N.G. Damp No. 3 C.W.	19,928-18		19,928-18				
N.G. Tgh. Ex. No. 1 Feed	62,760-10		62,760-10		1,800-00		1,800-00
N.G. Damp Ex. No. 1 Feed	6,833-18		6,833-18				
N.G. Tgh. No. 1 Feed	115,638-28		115,638-28			4,482-12	4,482-12
N.G. Damp No. 1 Feed	9,729-04		9,729 04				
N.G Tgh. No. 2 Feed	126,956 16		126,956 16		3,600-00		3,600-00
N.G. Damp No. 2 Feed	16,962-12		16,962-12				
N.G. Tgh. Rejected	8,947-22		8,947 22				
N.G. Damp No. 2 C.W. Htg	1,978 08		1,978-08				
N.G. Tgh. No. 3 C.W. Htg	1,840-00		1,840-00				
N.G. Tgh. Ex. No. 1 Feed Htg	2,092-02		2,092-02				
N.G. Tgh. No. 1 Feed Htg	3,425-00		3,425-00				
N.G. Tgh. No. 2 Feed Htg	3,598-18		3,598-18				
N.G. Tgh Rej. Mxd Htd	21,099-14	1,957-32	23,057-12			4-14	4-14
N.G. Tgh. Rej. Mxd. Htg	8,051-16		8,051-16				
N.G. Tgh. Rej. Mxd. Gravel		1,704-04	1,704 04				
N.G. Tgh. Rej. Mxd. Cinders	301 26		301 26				
N.G. Tgh. Rej. Mxd. Coal and Gravel	3,425 30		3,425-30				
N.G. Tgh. Rej. Mxd. Htd. and Htg	3,461 16		3,461-16				
N.G. Damp No. 2 Feed Mxd. Ice	174-04		174-04				
N.G. Tgh. Cond. Htd	4,622-22	5,596-06	10,218-28				
N.G. Tgh. Cond. Htd. Rej. Mxd. Gravel	1,272 02		1,272 02				
N.G. Tgh. Cond. Htg. Rej. Mxd. Fireburnt Rej. Mxd. Gravel	1,522 32		1,522 32				
N.G. Tgh. Cond. Htd. & Htg	3,360-10		3,360-10				
N.G. Tgh. Oats and Wild Oats		1,991-06	1,991-06				
Rej. Mxd. Htd	7,803 08	1,867-32	9,671-06				
Condemned	1,792 12	3,532-02	5,324-14				
Cond. Htd		7,707 32	7,707-32				
Cond. Rej. Mxd. Htd. Mxd. Gravel and Rotten	175-00		175-00				
Sample		1,492-22	1,492 22				
Total	1,429,367-30	94,941-06	1,524,309-02		270,920-30	324,328 28	595,249-24

Barley—							
No. 3 C.W.	116,158-84	4,376-02	120,534-36		52,569-30	238,758-16	291,327-46
No. 4 C.W.	150,078-36		150,078-36		40,153-06	278,026-18	318,179-24
Feed	76,867 04		76,867 04		32,726-02	74,409-18	107,135-20
Rejected	85,668-36	1,290-20	86,959-08			92,118-36	92,118-36
N.G. Tgh. No. 3 C.W.	103,102-34	20,867-14	123,970-00				
N.G. Damp No. 3 C.W.	1,246-22		1,246-22				
N.G. Tgh. No. 4 C.W.	105,464-28	4,280 30	109,745 10			1,344-28	1,344-28
N.G. Damp No. 4 C.W.	5,340-30		5,340-30				
N.G. Tgh. Feed	28,190-30	1,310-30	29,501-12				
N.G. Damp Feed	369-08		369-08				
N.G. Tgh. Re'ected	30,401-22		30,401-22				
N.G. Tgh. No. 3 C.W. Htg	2,382-44		2,382-44				
N.G. Tgh. No. 4 C.W. Htg	3,101-12	1,476-12	4,577-24				
N.G. Tgh. Feed Htg	3,109-28		3,109-28				
N.G. Tgh. Re'. Mxd. Htd	1,336-32		1,336-32				
N.G. Tgh. Re'. Mxd. Htd. and Htg	1,943-06		1,943-06				
N.G. Tgh. Rej. Mxd. Gravel	66-32		66-32				
N.G. Tgh. No. 4 C.W. Rej. Mxd. Gravel		1,089-38	1.089-38				
Total	714,829-06	34,691-02	749,520-08		125,448 38	684,657 20	810,106 10
Flaxseed—							
No. 3 C.W.	27-28		27-28			27-21	27-21
Rejected						29-10	29-10
Total	27-28		27-28			56-31	56-31
Rye—							
No. 1 C.W.	231-14		231-14				
No. 2 C.W.	5,461-34		5,461-34		(−3,800-20)	19,660-00	15,859-36
Rejected	850-40		850-40			1,428 32	1,428-32
Rejected No. 2 C.W.	2,783-52		2,783-52		5,943 12	5,259 16	11,202-28
N.G. Tgh. No. 2 C.W. Rej. Mxd. Htd						65-08	65-08
Rejected Mxd. Htd		970-30	970-30				
Cond. Mxd. Htd		272-18	272-18				
N.G. Tgh. No. 2 C.W.	7,494-54		7,494-54				
N.G. Tgh. Rej. No. 2 C.W.	471-24		471-24				
N.G. Tgh. No. 2 C.W. Htg	65-50		65-50				
N.G. Damp No. 2 C.W. Rej. Mxd. Htd. and Htg	184-06		184-06				
Total	17,543-50	1,242 48	18,786 42		2,142 48	26,412-36	28,555-48
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain—							
No. 1	222,890	206,690	429,580				
No. 2	637,090	884,840	1,521,930				
No. 3	420,430	1,108,140	1,528,570				
No. 4	69,930	118,560	188,490				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, of each kind of grain at the National Private Terminal Elevator—during the Crop Year 1920-21—*Con.*

Grades	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
Mixed Grain—Con							
N.G. Tgh. No. 1	34,030		34,030				
N.G. Tgh. No. 2		112,960	112,960				
N.G. Damp No. 2	39,230		39,230				
N.G. Tgh. No. 3	129,310	101,270	230,580				
N.G. Tgh. No. 4	239,610	72,820	312,430				
N.G. Tgh. Rej. No. 1 Mxd. Htd	17,040		17,040				
N.G. Tgh. Rej. Mxd. Htd. Mxd. Sand and Gravel	1,530						
Wheat, Oats and Rye	29,750		29,750				
Wheat and Rye	368,550	453,090	821,640				
Wheat Oats and Barley		20,670	20,670				
Wheat Barley and Rye		83,770	83,770				
Wheat Rye and Wild Oats		7,180	7,180				
Oats and Rye	548,290	156,470	704,760				
Oats and Wild Oats	42,150		42,150				
Barley and Wild Oats	464,240	99,210	563,450				
Barley and Rye		265,270	265,270				
N.G. Tgh. Wheat and Rye	66,430		66,430				
N.G. Tgh. Oats and Rye	77,920		77,920				
N.G. Tgh. Barley and Wild Oats	59,260	64,980	124,240				
N.G. Tgh. Wheat Oats and Rye		15,150	15,150				
N.G. Tgh. Wheat, Oats and Barley		77,690	77,690				
Flax, Broken wheat and barley	2,500		2,500				
Sample		614,930	614,930				
N.G. Tgh. Sample		28,800	28,800				
Wheat, Rye, Barley Rej. Mxd. Htd					66,000		66,000
Total	3,470,180	4,492,490	7,962,670		66,000		66,000
Screenings	164,160	355,080	519,240		508,220	1,842,430	2,450,650
Scalpings	768,400	3,515,670	4,284,070		688,210	514,270	1,202,480

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, of each kind of grain at the Richardson's Private Terminal Elevator, during the Crop Year 1920-21

Grades	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	bus.	bus.	bus.	bus.	bus.	bus.	bus.
Wheat—							
No. 1 Hard	3,167 00		3,167 00				
No. 1 Northern	3,284,190-10		3,284,190-10	2,843,340-20	473,300 00		3,316,640 20
Dried No. 1 Nor	931-30		931-30	15,378-40	1,566 40		16,945 20
No. 2 Northern	1,489,621-40		1,489,621 40	1,831,612-30	209,050 00		2,040,662 30
Dried No. 2 Nor	21,839-40		21,839-40	717-50			717-50
No. 3 Northern	1,459 673 20		1,459,673 20	1,146,905-10	316,133 20		1,463,038-30
Dried No. 3 Nor	1,358 30		1,358 30				
No. 4	412,096 50	1,144-30	413,241 20	178,020-20	5,333 20		183,353-40
No. 5	47,900-00	2,152-10	50,052-10	22,983-40	9,400-00	2,000 00	34,383 40
No. 6	9,313 50	2,847-40	12,161 30				
Feed	1,238 20		1,238 20	25,144 30			25,144-30
Rej. No. 1 Nor	7,006-50		7,006-50				
Rej. No. 2 Nor	14,064-00		14,064-00				
Rej. No. 3 Nor	16,892-10		16,892-10				
Rej. No. 4	5,563-20		5,563-20				
Rej. No. 5		142-20	142-20				
Rej. No. 3 Nor. Sprtd	11,807-30		11,807-30				
Rej. No. 4 Sptd	979 50		979-50				
Rej. No. 1 Nor. Mix. Sand and Gravel		3,022-40	3,022-40				
Rej. No. 3 Nor. Mix. Sand and Gravel		106-10	106-10				
Rej. No. 3 Nor. Mix. Gravel		1,332-50	1,332 50				
Smutty No. 1 Nor	12,259-50		12,259-50				
Smutty, No. 2 Nor	5,764-00		5,764-00	12,663-20			12,663-20
Smutty No. 3 Nor	12,114 20		12,144 20				
Smutty No. 4	3,670 30		3,670-30				
Smutty No. 5	441-50		441-50				
N.G. Tgh. No. 1 Nor	11,641-20		11,641-20				
N.G. Tgh. No. 2 Nor	45,806-40		45,806-40			1,541-10	1,541-10
N.G. Dp. No. 2 Nor	2,240-00		2,240-00				
N.G. Tgh. No. 3 Nor	81,979-10		81,979-10			959-40	959-40
N.G. Dp. No. 3 Nor	−1,071-30		−1,071-30				
N.G. Tgh. No. 4	30,383-00		30,383-00				
N.G. Dp. No. 4							
N.G. Tgh. No. 5	12,439-20		12,439-20				
N.G. Tgh. No. 6	3,894-10		3,894-10				
N.G. Dp. No. 6							
N.G. Dp. Feed							
N.G. Tgh. Rej. No. 2 Nor	1,094-00		1,094 00				
N.G. Tgh. Rej. No. 3 Nor	6,933-10		6,933-10				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades, of each kind of grain at the Richardson's Private Terminal Elevator during the Crop Year 1920-21—*Con.*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipment
	Net. Bush.	Net Bush..	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—con.							
N.G. Tgh. Rej. No. 4	577-50		577-50				
N.G. Tgh Rej. No. 3 Nor. Sptd	4,664-10		4,663-10				
N.G. Dp. Rej. No. 3 Nor. Sptd	—997 40		—997 40				
N.G. Tgh. Sm. No. 2 Nor	1,416-40		1,416-40				
N.G. Tgh. Sm. No. 3 Nor	7,553-50		7,553-50				
N.G. Dp. Sm. No. 3 Nor	466 50		466 50				
N.G. Tgh. Sm. No. 4	243-20		243-20				
N.G. Tgh. Sm. No. 5	979-40		979-40				
N.G. Tgh. Sm. No. 4 Htg							
N.G. Tgh. Sm. Rej. No. 3 Nor	1,039-10		1,039-10				
N.G. Tgh. Rej. No. 3 Nor. Mix. Htd	1,451 10	1,346 10	2,797 20				
N.G. Tgh. Rej. No. 3 Nor. Mix. Gravel		687 39	687-39				
N.G. Tgh. Cond. No. 1 Htg							
N.G. Tgh. Cond. No. 2 Htg							
Rej. No. 1 Nor. Mix. Htd		1,063-40	1,053-40				
Rej. No. 2 Nor. Mix. Htd	804-20		804-20				
Rej. No. 3 Nor. Mix. Htd	2,682-00		2,682-00			1,098-20	1,098-20
Rej. No. 4 Mix. Htg		1,306-40	1,306-40				
Condemned No. 1	471-30		471-30				
Condemned No. 2	380-20		380-20				
No. 1 A.R.W	2,504 10		2,504 10				
No. 2 Durum	3,505-50		3,505-50				
No. 3 Durum	1,001-20		1,001-20				
No. 4 Durum	759 10		759 10				
Spring and Durum	1,514-40		1,514-40				
N.G. Tgh. No. 2 Durum	237-40		237-40				
N.G. Tgh. No. 3 Durum	697-20		697-20				
No. Est. Grade	732 50	1,292 40	2,025-30				
Sample		1,396 50	1,396 50				
N.G. Tgh. Rej. No. 4 Durum	388 30		388-30				
Total	7,050,339-06	17,831 50	7,068,170 50	5,076,766 20	1,014,783-20	5,599-10	7,097,148 50
Oats—							
2 C.W	402,861-06		404,861-06	550,759-24	11,705-30		562,465-20
3 C.W	641,857 30		641,857 30	940,948 08	43,705 30		984,654 04
Ex. 1 Feed	73,342 22		73,342-22				
1 Feed	212,591 26		212,591 26	23,000 00			23,000 00
2 Feed	182,377 32		182,377 32	391,099 28	28,623-18		419,723-12

Rejected	17,951-28		17,951-28				
N.G. Tgh. 2 C.W.	80,387-12	4,071-06	84,458-18				
N.G. Dp. 2 C.W.							
N.G. Tgh. 3 C.W.	179,802-22	3,862-12	201,665-00		2,000-00		2,000-00
N.G. Dp. 3 C.W.							
N.G. Tgh. Ex. 1 Feed	71,926-06		71,926-06				
N.G. Tgh. 1 Feed	96,780-10	1,758-28	98,539-04				
N.G. Tgh. 2 Feed	63,583-18		63,583-18				
N.G. Dp. 2 Feed							
N.G. Tgh. Rejected	10,736-26		10,736-26				
N.G. Tgh. Rej. Mxd. Htd	4,840 36		4,840 36				
Rej. Mix. Htd	1,790-20		1,790-20				
N.G. Dp. 1 Feed	−2,523-08		2,523-08				
Total	2,056,308-08	9,692 12	2,066,000-20	1,905,807-26	86,035-10		1,991,843-02
Barley—							
No. 3 C.W.	142,239-02		142,239-02	153,995-19	50,541-32		204,537-03
No. 4 C.W.	122,929-08		122,929-08	170,245 24	6,875-00		177,120-24
Feed	26,532-12		26,532-12				
Rejected	20,241 08		20,244-08	25,066-30			25,066-30
N.G. Tgh. 3 C.W.	38,507-36		38,507-36				
N.G. Tgh. 4 C.W.	42,757-24	2,640-16	45,397-34				
N.G. Tgh. Feed	11,340-26	1,405-10	12,745-30				
N.G. Dp. Feed							
N.G. Tgh. Rejected	8,373-26	2,738 20	11,112-04				
N.G. Tgh. Rej. Mix. Htd	452-04		452 04				
N.G. Tgh. No. 3 C.W. Htg	1,746-12		1,746-12				
N.G. Tgh. 4 C.W. Htg							
N.G. Dp. Fd. Htg							
N.G. Tgh. Cond. Htd. and Htg							
Rej. Mix. Htd	876 32		876 32				
Condemned Htd	537 44		537 44				
Total	416,536-30	6,785 10	423,320-34	349,307-25	57,416 32		406,724-09
Flaxseed—							
No. 1 N.W.C	213,627 35		213,627-35	91,948-43			91,948-43
No. 2 C.W.	22,863-22		22,863-22	2,786-18			2,786-18
No. 3 C.W.	5,179 47		5,179 47				
Rejected	194 26		194 26				
N.G. Tgh. No. 1 N.W.C	5,177-13		5,177 13				
N.G. Dp. No. 1 N.W.C	120 18		120 18				
N.G. Tgh. No. 2 C.W.	3,824-25		3,824-25				
N.G. Tgh. No. 3, C.W.	408 18		408 18				
N.G. Tgh. No. 2 C.W. Htg							
N.G. Tgh. No. 3 C.W. Htg							
Rej. Mxd. Htd	452 03		452 03				
Flax and Brkn. Wheat	656 21		656 21				
Total	252,504-04		252,504-04	91,735 05			91,735-05

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, of each kind of grain at the Richardson's Private Terminal Elevator during the Crop Year 1920-21—*Con*

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush. m
Rye—							
No. 1 C.W.	51,501 20		51,501-20		6,285-40		6,285-40
No. 2 C.W.	38,147-06		38,147-06	77,336-15	13,678 32		91,014-47
Rejected	1,617-16		1,617-16				
Rej. No. 2 C.W.	10,099-50		10,099-50				
N.G. Tgh. No. 2 C.W.	4,577-52		4,577-52				
N.G. Tgh. No. 2 C.W Musty	376 31		376-31				
Rej. No. 2 C. W. Mix. Fireburnt		1,270-40	1,270-40				
Total	106,320-10	1,270-40	107,590-50	77,336-15	19,964-16		97,300-31
Corn	468,614 26		468,614-26		463,104-46		463,104-46
	lbs.	lbs.	lbs.	lbs	lbs.	lbs.	lbs.
Mixed Grain—							
No. 1	92,080	65,530	157,610				
No. 2	259,660		259,660				
No. 3	154,999	61,640	216,630				
No. 4	240,920		240,920				
N.G. Tgh. No. 2	82,190		82,190				
N.G. Dp. No. 4							
No. 3 Mix. Htd	11,680		11,680				
Wheat and Rye	63,520	155,530	219,050				
Wheat, Oats and Rye		49,000	49,000				
Oats and Rye	35,980		35,980				
Oats and Wild Oats		19,610	19,610				
Barley and Wild Oats	106,990	246,290	353,280				
Wheat, Rej. Mix. Fireburnt	4,990		4,990				
Broken Wheat					60,000		60,000
Flax and Broken Wheat	15,283		15,283				
Sample		121,460	121,460		76,000		76,000
N.G. Tgh. No. 4	22,170		22,170				
Total	1,090,453	719,060	1,809,513		136,000		136,000
Screenings	110,640		110,640	1,470,140	340,000		1,810,140
Scalpings	197,370	967,020	1,164,390		120,000		120,000

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, of each kind of grain at the Saskatchewan Co-operative Private Terminal Elevator No. 2, during the Crop Year 1920–21

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.
Wheat—							
No. 1 Northern	295,099-10		295,099-10	173,338-20	1,550-00	1,543-40	176,432-00
No. 2 Northern	1,271,697-00		1,271,697-00	1,693,335-00	373,583-20	107,922-30	2,174,840-50
Dried No. 2 Northern	28,972-40		23,972-40				
No. 3 Northern	2,078,279-20	1,074 20	2,079,353-40	1,087,543-20	795,080-00	237,436-10	2,120,159-30
Dried No. 3 Northern	10,513-20		10,513-20				
No. 4	603,461-40	16,072-10	619,533 50	141,612-30	59,120-00	35,752-10	236,484-40
No. 5	86,123-20		86,123-20	48,000-00			48,000-00
No. 6	6,951-20		6,951-20			9,163-50	9,163-50
Feed	4,039-30	4,150-50	8,190-20			5,220-00	5,220-00
Rejected No. 1 Northern	4,184-40	1,012 50	5,197-30				
Rejected No. 2 Northern	19,212-10	2,002-00	21,214-10				
Rejected No. 3 Northern	18,058 50	4,362 00	22,420 50				
Rejected No. 4	3,500-30		3,500-30				
Rejected No. 3 Nor. Sprtd	47,702-30	3,363-10	51,065-40				
Rej. No. 3 Nor. Sprtd. Rej. Mxd. Gravel	1,142-10		1,142-10				
Rejected No. 3 Nor. Mxd. Durum	1,437-00		1,437-00				
Smutty No. 2 Northern	1,077-10		1,077-10				
Smutty No. 3 Northern	1,544 40		1,544-40				
N.G. Tgh. No. 1 Northern	16,331-10		16,331-10			3,583-10	3,583-10
N.G. Tgh. No. 2 Northern	99,769-30		99,769-30			71,381-00	71,381-00
N.G. Damp No. 2 Northern	−8,069-00		−8,069 00				
N.G. Tgh. No. 3 Northern	161,415 00	2,092-00	163,507 50			59,328-20	59,328-20
N.G. Damp No. 3 Northern	17,019-30		17,019 30				
N.G. Tgh. No. 4	27,578-50		27,578-50				
N.G. Damp No. 4	5,695-00		5,695-00				
N.G. Tgh. No. 5	8,312-50		8,312-50				
N.G. Tgh. No. 6	964-20		964-20				
N.G. Tgh. Rejected No. 2 Nor	1,012 50		1,012 50				
N.G. Tgh. Rejected No. 3 Nor	1,126-40		1,126-40				
N.G. Damp Rejected No. 3 Nor							
N.G. Damp Rejected No. 4	−1,166-10		−1,166-10				
N.G. Tgh. Rej. No. 3 Nor. Sprtd	7,683-50	1,537-00	9,220-50				
N.G. Damp. Rej. No. 3 Nor. Sprtd	1,067-40		1,067-40				
N.G. Tgh. Rej. No. 4 Sprtd.	1,791-50		1,791-50				
N.G. Tgh. Smutty No. 3 Northern	2,192 00		2,192-00				
N.G. Tgh. No. 4 Htg	1,413-20		1,413-20		—		
Spring and Durum	1,105-20		1,105-20				
Sample		2,549-50	2,549 50				
Total	4,828,241-30	38,217 00	4,866,458-30	3,143,829-10	1,229,433-20	531,330-50	4,904,593-20

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, of each kind of grain at the Saskatchewan Co-operative Private Terminal Elevator No. 2 during the Crop Year 1920-21—*Concluded*

Grades	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Oats—							
No. 3 C.W.	558-18		558-18				
No. 1 Feed	7,399-14		7,399-14				
No. 2 Feed	96,672-22		96,672-22			151,956-16	151,956-16
Rejected	2,672-20		2,672-20				
N.G. Tgh. No. 2 C.W.	1,977-32		1,977-32				
N.G. Tgh. No. 3 C.W.	6,778-18		6,778-18				
N.G. Tgh. No. 1 Feed	2,370-10		2,370-10				
N.G. Tgh. No. 2 Feed	10,702-32		10,702-32			7,718-08	7,718-08
N.G. Damp No. 2 Feed							
N.G. Tgh. Rejected							
Oats and Wild Oats	813-28		813-28				
Total	129,946-24		129,946-24			159,674-24	159,674-24
Barley—							
No. 3 C.W.						1,013-06	1,013-06
No. 4 C.W.	471-22		471-22			970-40	970-40
Feed	1,259-28		1,259-28				
Rejected						5,372-44	5,372-44
N.G. Tgh. Feed	1,394-38		1,394-38				
Total	3,125-40		3,125-40			7,356-42	7,356-42
Flaxseed—							
No. 2 C.W.	221-50		221-50			222-47	222-47
Flax and Broken Wheat	348-21		348-21				
Total	570-15		570-15			222-47	222-47
Mixed Grain—							
No. 1							
Mixed Grain—	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
No. 1	76,400		76,400				
No. 2		36,810	36,810				
No. 3	58,270	205,580	263,850				
No. 4	67,330	119,650	186,980				
N.G. Tgh. No. 3	49,400		49,400				
Rej. No. 3 Mxd. Htd		5,660	5,680				

APPENDIX No. 3

Wheat and Rye	171,810			171,810					
Barley and Wild Oats	72,380			72,380					
Sample		380,330		380,330					
Total	495,590	748,050		1,243,640					
Spelt		Lbs. 10,890		Lbs. 10,890					
Screenings		Lbs. 53,500		Lbs. 53,500	Lbs. 2,423,000	Lbs. 484,000	Lbs. 3,534,000	Lbs. 6,441,000	
Scalpings		Lbs. 3,052,670		Lbs. 3,052,670	Lbs.	Lbs. 396,000	Lbs. 336,000	Lbs. 732,000	

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, of each kind of grain at the Thunder Bay Private Terminal Elevator—during the Crop Year 1920-1921

Grade	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.
Wheat—							
No. 1 Hard	3,594 50		3,594 50				
No. 1 Northern	1,144,122 10		1,144,122 10	1,218,763-00	54,266 40		1,273,029-40
Dried No. 1 Northern	932 00		932 00				
No. 2 Northern	953,650 50		953,650 50	1,503,272 40	76,933 20		1,580,206-00
Dried No. 2 Northern	17,637 50		17,637 50	2,951 10			2,951 10
No. 3 Northern	1,456,322 20		1,456,322 20	1,253,528 00	150,766 40	2,400 00	1,406,694 40
Dried No 3 Northern	928 20		928 20				
No. 4	391,649 50	2,719 30	394,369 20	204,139 40	17,833 20		221,973-00
No. 5	62,028 40	2,346 00	64,374 40	4,149 00	1,466 40	1,091-10	6,706 50
No. 6	7,598 10	985 50	8,584 00				
Feed	1,192 10	2,633 10	3,825 20			4,314 30	4,314-30
Rejected No. 1 Nor	90,461 40	2,107 20	92,569 00	56,203 30			56,203 30
Rejected No. 2 Nor	63,849 40	5,066 30	68,916 10	3,005-30	338 10		3,343 40
Rejected No. 3 Nor	28,429 30	4,364 10	32,793 40				
Rejected No. 4	11,801-50		11,801-50				
Rejected No. 5	1,383 40		1,383 40				
Rejected No. 3 Nor. Sprtd	18,913-20	10,009-30	28,922-50				
Rejected No. 4 Sprtd	974 20		974 20				
Rejected No. 1 Nor. Mxd. Gravel	701 10		701 10				
Smutty No. 1 Northern	2,018 30		2,018 30				
Smutty No. 3 Northern	1,453-30		1,453-30				
Smutty No. 4	327-00		327-00				
Smutty Rej. No. 3 Northern	138-40		138-40				
Smutty Rej. No. 4	30 10		30 10				
N.G. Tgh. No. 1 Northern	7,953-40	10,586-20	18,540-00				
N.G. Tgh. No. 2 Northern	27,434-40	16,655-50	44,090-30				
N.G. Damp No. 2 Northern	7,942 50		7,942 50		1,100-00		1,100 00
N.G. Tgh. No. 3 Northern	105,867 00	17,185 10	122,992 10			1,366-20	1,366 20
N.G. Damp No. 3 Northern	1,503-10		1,503 10			1,446-10	1,446-10
N.G. Tgh. No. 4	46,206 30	16,032 30	62,239-00				
N.G. Damp No. 4	621 30		621-30				
N.G. Tgh. No. 5	7,653 30	8,674 50	16,328-20				
N.G. Damp No. 5	3,150-10		3,150-10				
N.G. Tgh. No. 6	1,898-40	2,199-10	4,097-50				
N.G. Tgh. Rej. No. 2 Northern	893-40		893 40				
N.G. Tgh. Rej. No. 3 Northern	6,659 10		6,659-10				
N.G. Tgh. Rej. No. 4	1,047-50		1,047-50				
N.G. Damp Rej. No. 4	1,112 50		1,112 50				
N.G. Tgh Rej. No. 3 Nor Sprtd	2,691-50		2,691-50				

N.G. Damp Rej. No. 3 Nor. Sprtd	995 10	7,273 40	2,268 50				
N.G. Tgh. Rej. No. 4 Sprtd	853 10	2,210 50	3,064 00				
N.G. Tgh. Rej. No. 4 Mxd. Gravel	1,000 20		1,000 20				
N.G. Tgh. Smutty No. 3 Northern	94 10		94-10				
N.G. Tgh. Rej. No. 3 Nor. Mxd. Htd	225 20		225 20				
N.G. Damp Rej. No. 4 Mxd. Htd		1,027-20	1,027 20				
N.G. Tgh. Cond. No. 2 Nor. Htd. Htg		1,099-00	1,099-00				
Rejected 1 Nor. Mxd. Htd	3,074 30		3,074-30				
Rejected 2 Nor. Mx. Htd	352 00		352 00				
Rejected 3 Nor. Mxd. Htd	2,571 50		2,571 50				
Rejected No. 4 Mxd. Htd	548-10		548-10				
Condemned No. 1					1,000 00	1,002 30	2,002 30
Condemned No. 2					1,000-00		1,000-00
Condemned No. 2	1,290 40		1,290-40				
No. 1 Durum	5,284 50		5,284 50		5,445 00		5,445-00
No. 2 Durum	1,379-40		1,379-40				
No. 3 Durum	7,024 50		7 024 50	675 10			675-10
No. 4 Durum	1,471-20		1,471-20				
Rejected No. 1 Durum	1,087 20		1,087 20				
Rejected No. 2 Durum	1,266 10		1,266 10				
Rejected No. 3 Durum	1,755 40		1,755-40				
Spring and Durum	1,045 50		1,045 50				
Sample		899-30	899-30				
Total	1,514,088 10	108,076 10	4,622,164 20	1,246,687 40	310,149 10	11,620 40	4,568,458 10
Oats—							
2 C.W	857,842 30		857,842 30	1,266,453 17	19,470 20	1,882-12	1,287,806-15
3 C.W	866,897-32		866,897-32	1,116,251-30	25,586-26		1,141,838-22
Ex. 1 Feed	371,906-06		371,906-06	486,632-01	9,705-30		496,337-31
1 Feed	440,446-26		440,446-26	431,446-29	29,623-18		461,070-13
2 Feed	438,335 22		438,335 22	665,721 02	1,941 06		667,662 08
Rejected	44,633-28		44,633-28	17,343-32			17,343-32
N.G. Tgh. 2 C.W	388,433-00		388,433-00	11,901-06	11,177-12		23,078-18
N.G. Damp 2 C.W	—1,915-20		—1,915-20				
N.G. Tgh. 3 C.W	591,838-00		591,838-00	200,431-05	23,529-14	5,886-16	229,847-01
N.G. Damp 3 C.W	4,598 28		4,598-28				
N.G. Tgh. Ex. 1 Feed	177,098 32	3,849 14	180,948 12	67,851 10	11,705 30		79,537 06
N.G. Damp Ex. 1 Feed	7,706 16		7,706 16				
N.G. Tgh. 1 Feed	209,187 02		209,187 02	63,673 00	9,882 12		73,555 12
N.G. Damp. 1 Feed	5,321-16		5,321-16		966-06	1,000-00	1,966-06
N. G. Tgh. 2 Feed	244,863 28	359 21	245,222 18	3,193-21	23,294 04		26,487-25
N.G. Damp 2 Feed	—1,766 06		—1,766 06				
N.G. Tgh. Rejected	39,310 00		39,310 00		1,000 00	4,320 20	5,320 20
N.G. Tgh. 2 C.W. Htg	—4,463 08		—4,463 08				
N.G. Tgh. 2 C.W. Htd. and Htg	—1,872 12		1,872 12				
N.G. Tgh. Rej. Mxd. Htd	2,971 16		2,971 16	1 830 00			1,830 00
N. G. Damp. Rej. Mxd. Htd. and Htg	1,881-06		1,881-06				
Rejected Mxd. Htd	17,439 14		17,439 14				
Rej Mxd. Cinders and Gravel	545 00		545-00				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades of each kind of grain at the Thunder Bay Private Terminal Elevator—during the Crop Year 1920-1921—*Continued*

Grades	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Bush.	Bush.	Bush.	Bush	Bush.	Bush.	Bush.
Wheat—							
Rejected Htd. and Htg	4,266 06		4,266 06	21,765 30			21,765-30
Condemned	1,240 20		1,240 20				
Condemned Htg	3,352 02		3,352-02				
Oats and Wild Oats	2,940 10		2,940-10				
N. G. Tgh. Oats and Wild Oats	2,042-22		2,042-22				
Total	4,715,082-10	4,209 04	4,719,291 14	1,354,475-13	167,883-08	13,089-14	4,535,448-01
Barley—							
No. 3 C.W.	254,136-10		254,136-10	236,600-31	38,457-14		275,057-45
Dried No. 3 C.W.	9,346-30		9,346-30	18,576-22			18,576-22
No. 4 C.W.	172,352-24		172,352-24	303,871-16			303,871-16
Dried No. 4 C.W.	34,350-28		34,350-28	18,836-02			18,836-02
Feed	87,746 12		87,746-12	108,646-12			108,646-12
Rejected	69,428 30		69,428 30	46,429-32	1,375-00		47,804-32
N.G. Tgh. No. 3 C.W.	53,781-42	1,371 32	55,153 20	2,671-22		1,763-16	4,434-38
N.G. Damp No. 3 C.W.	1,733-10		1,733-10				
N.G. Tgh. No. 4 C.W.	82,570-00		82,570-00	2,584-08		3,912-24	6,496-32
N.G. Damp No. 4 C.W.	1,074-08		1,074-08				
N.G. Tgh. Feed	35,536-22		35,536 22	2,504-08			2,504-08
N.G. Tgh. Rejected	21,417-14		21,417-14		1,375-00	1,440-30	2,815-30
N.G. Tgh. No. 3 C.W. Htg	2,261-12		2,261-12				
N.G. Tgh. No. 4 C.W. Htg	(−1,672-04)		(−1,672-04)				
N.G. Damp Rej. Htd. and Htg	(− 588-16)		(− 588-16)				
Rej. Mxd. Htd.	3,096 22		3,096 22				
Total	826,571-22	1,371-32	826,571-22	740,720 09	41,207-14	7,116-22	789,043-45
Flaxseed—							
1 N.W.C.	168,189 21		168,189 21	105,180 44			105,180-44
2 C.W.	56,784-30		56,784 30	36,014-08			36,014-08
3 C.W.	21,754-09	6,828-14	28,582-23	22,640 00			22,640-00
Rejected	2,300-15	3,408-38	5,708-53	5,731-54			5,731-54
N.G. Tgh. 1 N.W.C.	2,714-42	1,001-08	3,715 50				
N.G. Tgh. 3 C.W.	1,437-48		1,437-48				
N.G. Tgh. 1 N.W.C. Htg	388-20		388-20				
N.G. Tgh. Rej. 1 N.W.C. Htd.	2,246-46		2,246-46				
Rejected Htd. Htg.	607-00		607-00				

Condemned Htd	909-06		909-06				
Flax and Broken Wheat	1,048-12		1,048-12				
Sample		867-30	867-30				
Total	258,380-23	12,105-34	270,486-03	169,566-50			169,566-50
Rye—							
1 C.W	29,017-24		29,017-24				
2 C.W	29,121-40		29,121-46	70,479-26			70,479-26
Rejected 2 C.W	9,609-34		9,609-34				
N.G. Tgh. Rej. 2 C.W	816 14		816-14				
Rejected Mxd. Ergot	1,661-24		1,661-24				
Total	70,226-36		70,226-36	70,479-26			70,479-26
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain—							
Number One	293,180		293,180				
Number Two	108,530	154,380	262,910				
Number Three	213,490		213,490				
Number Four	62,650		62,650				
N.G. Tgh. 1 Northern	3,350		3,350				
N.G. Damp 1 Northern	13,520		13,520				
N.G. Tgh. 3 Northern	23,220		23,220				
N.G. Tgh. Number Four	61,610		61,610				
N.G. Tgh. Rej. Mxd. Gravel	76,640		76,640				
Wheat, Barley and Rye	15,380		15,380				
Wheat and Rye	78,250		78,250				
Barley and Wild Oats	423,490		423,490			59,710	59,710
Rye and Oats	21,050		21,050				
Barley, Oats and Wild Oats	66,350		66,350				
N.G. Tgh. Barley and Wild Oats	72,810		72,810				
N.G. Tgh. Oats and Wild Oats	65,850		65,850				
N.G. Tgh. Wheat, Rye and Wild Oats	20,570		20,570				
Flax and Broken Wheat	8,690		8,690				
Total	1,628,630	154,380	1,783,010			59,710	59,710
Screenings	182,580	936,000	1,118,580	3,109,820			3,109,820
Scalpings	1,636,010	90,100	1,726,110	1,399,000			1,399,000

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by grades, of each kind of grain at the Grain Growers "H" Private Terminal Elevator—During the Crop Year 1920-1921

Grades	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.
Wheat—							
1 Hard	2,839 40		2,839-40				
1 Northern	1,011,061 50		1,011,061-50	928,213-10	182,066-40		1,110,279-50
2 Northern	2,021,727 10		2,021,727-10	2,267,601-40	316,433 20		2,584,035-00
3 Northern	2,384,908 40		2,394,908 40	2,375,628 50	436,666-40		2,812,295-30
Number 4	590,455 20	3,044-40	593,500 00	64,006 00	1,566-40		65,572-40
Number 5	79,429-30	1,484-20	80,913-50			3,512-00	3,512-00
Number 6	11,005 10		11,005 40				
Feed	2,402 30		2,402 30				
Rejected 1 Northern	21,317-30		21,317 30				
Rejected 2 Northern	39,939 40		39,939-40				
Rejected 3 Northern	40,687 20		40,687-20				
Rejected Number 4	8,865-10		8,865-10				
Rejected Number 5	2,455 00		2,455-00				
Rejected 3 Nor. Sprtd	17,832-20		17,832-20				
Rejected No. 4 Sprtd	8,793-10		8,793 10				
Smutty 2 Northern	1,638-50		1,638 50				
Smutty 3 Northern	1,392-30		1,392 30				
Smutty Number Fvie	524 50		524-30				
N.G. Tgh. 1 Northern	15,200 00		15,200-00				
N.G. Tgh. 2 Northern	57,645 30		57,645-30				
N.G. Damp 2 Northern	1,036-40		1,036-40				
N.G. Tgh. 3 Northern	161,101 00		161,101 00				
N.G. Damp 3 Northern	10,269 30		10,269 30				
N.G. Tgh. Number Four	41,703 00		41,703-00				
N.G. Damp Number Four	3,179-10		3,179-10				
N.G. Tgh. Number Fvie	5,660-20		5,660 20				
N.G. Tgh. Feed	305 40		305-40				
N.G. Tgh. Rejected 3 Nor	5,152 50		5,152-50				
N.G. Tgh. Rejected No. 4	1,214-10		1,214-10				
N.G. Tgh. Rejected 3 Nor. Sprtd	3,451-00		3,451 00				
N.G. Tgh. Rejected No. 4 Sprtd	326-50		326 50				
1 A.R.W	2,832 20		2,832-20				
No. 2 Durum	4,725-30		4,725-30				
No. 3 Durum	6,945 20		6,945 20				
Rejected No. 1 Durum	852 00		852 00				
Rejected No. 2 Durum	4,121-40		4,121-40				
Spring and Durum	2,434-00		2,434-00				
Total	6,575,432-50	4,529-00	6,579,961-50	5,635,449-40	936,733-20	3,512-00	6,575,695-00

Oats—							
1 Feed	594–04		594–04				
2 Feed	2,043 28		2,043 28				
Rejected	380 10		380 10				
N.G. Tgh. 2 Feed	200 00		200 00				
Total	3,128–08		3,218–08				
Flaxseed—							
Flax and broken wheat	18 02		18–02				
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Mixed Grain—							
Number 3	47,430		47,430				
Wheat and Rye	92,760		92,760				
Total	140,190		140,190				
Screenings				5,083,450	494,300		5,577,750
Scalpings				1,253,990	2,076,520	444,150	3,774,660

BOARD OF GRAIN COMMISSIONERS FOR CANADA

ANNUAL REPORT of Handlings of Grain at Private Terminal Elevators, Winnipeg, Fort William and Port Arthur

CROP YEAR 1921–22

INDEX

PAGES

Winnipeg—
Anchor 2131
N. M. Paterson & Co 2132

Fort William—
Bole's 2133
Brooks 2135
Capital 2138
Davidson & Smith's Diamond Mill 2140
Jas. Davidson & Son 2142
Empire 2143
Gillespie's "Island" 2146
Gillespie's "A & C" 2148
Merchants 2151
Muirheads' 2151
Mutual 2152
Mt. McKay Feed Co 2154
R. B. McClean 2156
N. M. Paterson's "K & O" 2158
Western Terminal 2162

Port Arthur—
Davidson & Smith 2166
United Grain Growers' "H" 2169
Gillespie's Annex 2171
National Elevator 2172
National Elevator "A" 2176
J. Richardson & Son 2178
Saskatchewan Co-operative Elevator No. 2 2182
Thunder Bay 2184

APPENDIX No. 3

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by The Anchor Elevator Company, Ltd., at Winnipeg during the Crop Year 1921–22 (Sept. 1st, 1921 to Aug. 31st, 1922 inclusive.)

Grade	Total Receipts	Total Shipments
	Net Bush.	Net Bush.
Wheat—		
3 Northern	1,001 20	
Number 4		827–30
Number 5	316–20	
Rejected 3 Northern	87–00	
Smutty 3 Northern	192–30	192–30
N.G. Tgh. No. 4	999 25	
N.G. Tgh. Rej. No. 4 Dp	381–20	
Condemned Fireburnt		3,110–30
Total	2,977–55	4,130–30
Oats—		
1 C.W		1,800 00
2 C.W	269,940–30	355,007–12
3 C.W	459,712–12	932,788–08
Ex. 1 Feed	69,624–14	17,870–20
1 Feed	154,473–28	58,658–28
2 Feed	135,052–22	13,564–24
Rejected	15,230–00	
Rej. Mix. Fireburnt		6,058–28
N.G. Tgh. 2 C.W	57,794–04	3,941–06
N.G. Dp. 2 C.W	7,717–32	
N.G. Tgh. 3 C.W	407,629–04	5,532–12
N.G. Dp. 3 C.W	96,885 10	
N.G. Tgh. Ex. 1 Feed	1,938–28	
N.G. Tgh. 1 Feed	127,122–22	3,941–06
N.G. Dp. 1 Feed	39,899 24	
N.G. Tgh. 2 Feed	88,232 22	
N.G. Dp. 2 Feed	46,431 26	
N.G. Dp. Rejected	1,851–26	
N.G. Tgh. Rej. Mix. Htd	456–26	
Rej. Mix. Htd	11,863 08	
Oats and Wild Oats	1,874 14	
Condemned Fireburnt		3,285–30
Total	1,991,732 12	1,402,449–04
Barley—		
3 C.W	4,458–26	7,381–02
Ex. 3 C.W		1,600–00
4 C.W	535–10	
N.G. Dp. 3 C.W	4,482–04	
N.G. 4 C.W. Tgh	1,726–42	
N.G. Dp. Feed	763–26	
Total	11,966 12	8,981–02
Flaxseed—		
2 C.W	106 34	
Rye—		
1 C.W	1,627–48	650–00
2 C.W	496–24	
Total	2,124–16	650–00
Mixed Grain	Net Lbs. 277,776	Net Lbs.
Screenings	854,910	
Scalpings	1,525,280	

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by Messrs. N. M. Paterson & Co., Ltd., at St. Boniface during the Crop Year 1921-22 (Sept. 1st, 1921 to August 31st, 1922 inclusive.)

Grade	Total Receipts	Total Shipments
	Net Bush.	Net Bush.
Wheat—		
1 Northern	13,449-00	16,601-40
2 Northern	21,906-50	21,453-00
3 Northern	222,037-40	232,786-30
Number 4	206,771-30	398,231-30
Number 5	76,009-50	24,105-00
Number 6	23,670-20	.....
Feed	6,627-20	1,133-20
Rejected No. 2 Northern	907-20	.....
Rejected No. 3 Northern	8,268-30	.....
Rejected Number 4	9,359-20	1,067-00
Rej. No. 3 Nor. Sprtd	40,825-20	3,700-00
Rej. Number 4 Sprtd	23,840-20	1,100-00
Rej. Number 5 Sprtd	2,443-40	.....
Smutty Number 4	947-00	3,100-00
N.G. Tgh. No. 2 Nor	1,532-30	.....
N.G. Tgh. No. 3 Nor	9,548-10	.....
N.G. Dp. No. 3 Nor	7,679-50	.....
N.G. Tgh. Number 4	27,639-20	2,216-40
N.G. Dp. Number 4	11,817-20	.....
N.G. Tgh. Number 5	6,886-10	.....
N.G. Tgh. No. 3 Nor. Rej. Sptd	8,350-00	.....
N.G. Tgh. No. 4 Rej. Sptd	7,303-30	6,233-20
N.G. Tgh. Rej. 3 Nor. Smty. Rej	.....	2,700-00
N.G. Dp. No. 4 Rej. Sptd	1,155-10	.....
N.G. Tgh. Smty. No. 4	.....	1,466-40
Number 3 Durum	1,332-00	1,151-40
N.G. Tgh. Feed	1,097-30	.....
Total	741,325-10	716,846-20
Oats—		
2 C.W	317,445-20	556,327-32
3 C.W	595,380-00	668,532-12
Ex. 1 Feed	221,662-12	182-647-02
1 Feed	225,095-30	219,776-16
2 Feed	180,133-28	148,547-02
Rejected	10,119-04	2,647-02
N.G. Tgh. No. 2 C.W	29,010-10	15,750-00
N.G. Tgh. No. 3 C.W	225,853-19	181,529-14
N.G. Dp. No. 3 C.W	15,276-16	7,764-24
N.G. Tgh. No. 1 Feed	94,887-12	39,150-00
N.G. Dpl. No. 1 Feed	29,076-16	9,847-02
N.G. Tgh. No. 2 Feed	66,239-24	28,554-14
N.G. Dp. No. 2 Feed	26,895-20	3,686-26
N.G. Tgh. Rejected	1,592-22	.....
Rej. Mix. Htd	4,058-28	1,764-24
Total	2,042,727-22	2,066,525-00
Barley—		
3 C.W	162,931-32	268,552-14
4 C.W	103,470-00	47,880-30
Feed	16,816-32	20,583-16
Rejected	26,396-42	9,416-32
N.G. Tgh. No. 3 C.W	13,473-46	1,333-36
N.G. Tgh. No. 4 C.W	11,570-40	9,458-16
N.G. Dp. No. 4 C.W	1,432-44	.....
N.G. Tgh. Feed	3,809-18	1,666.32
Barley and Wild Oats	970-40	.....
Total	340,873-06	358,891-32
	Net Lbs.	Net Lbs.
Mixed Grain	298,000	.....
Screenings	284,750	.....

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by the Bole Grain Company at Fort William, during the Crop Year 1921–1922 (Sept. 1st, 1921 to Aug. 31st, 1922 inclusive)

Grades	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
3 Northern						2,456–00	2,456–00
Number 4		2,181 10	2,181–10				
Feed		993 20	993 20				
Rej. Mix. Gravel						687–40	687–40
Rej. 6 Sptd		727–30	727–30				
N.G. Tgh. 4						4,279–10	4,279–10
N.G. Tgh. Rej. 4		2,225 20	2,225 20				
Sample		336 30	336 30				
Wheat and Wrecked Grain	213 00		213 00				
Total	213–00	6,463–50	6,676–50			7,422–50	7,422–50
Oats—							
1 C.W.	1,892–02		1,892–02		1,800–00		1,800–00
2 C.W.	81,621–26	3,824–16	85,446–08		26,077–32		26,077–32
3 C.W.	42,802 02	1,115–20	43,917–22		5,400 00		5,400 00
Extra 1 Feed	93,275 00	14,040 00	107,315 00		3,600 00		3,600 00
1 Feed	31,115–20	13,066–06	44,181–26		7,476–16		7,476–16
2 Feed	15,038–18	28,617–32	43,656–16		1,323–18	1,764–24	3,088–08
N.G. Tgh. 2 C.W.	1,801 00	23,832 32	25,634 04				
N.G. Tgh. 3 C.W.	38,275 22	42,175 10	80,450 32				
Dp. 3 C.W.	20,097 10		20,097–10				
N.G. Tgh. Extra 1 Feed		3,634 24	3,634 24				
N.G. Tgh. 1 Feed	22,644–04	53,550–30	76,195–00		7,623–18		7,623–18
Dp. 1 Feed	12,443–18	1,639–14	14,082–32				
N.G. Tgh. 2 Feed	10,379 24	37,910 20	48,290 10		16,341 06	1,852 32	18,194–04
Dp. 2 Feed	8,155–20	5,881–06	14,036–26			3,705–30	3,705–30
N.G. Tgh. Rej.		6,858–08	6,858–08				
N.G. Tgh. Rej. Mix. Htd.	1,778 08	974 04	2,752 12				
N.G. Dp. Rej. Mix. Htd.	1,835–00		1,835–00				
N.G. Tgh. Cond. Htg.	370 20		370 20				
Rej. Mix. Htd.		7,235–00	7,235–00		3,600–00		3,600–00
Cond. Htd.		2,608–18	2,608–18				
Sample	1,883–28	28,710–10	30,894 04				
Oats and Wild Oats	1,805 00		1,805 00				
Total	387,214 24	275,675 12	662,890 02		73,242 22	7,323–18	80,566–06

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT– Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by the Bole Grain Co., at Fort William during the Crop Year 1921-22) September 1st, 1921, to August 31st, 1922, inclusive)—*Con*

Grades	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
Barley—							
Rejected	946-02	8,505-40	9,451-42				
N.G. Tgh. Rejected	1,585-20	1,647-04	3,332-24				
N.G. Tgh. Rej. Mix. Htd		1,205 10	1,205 10				
Rej. Mix. Htd		1,017 24	1,017 24				
Barley and Wild Oats		1,288-26	1,288 26				
Total	2,531-22	13,764-08	16,295 30				
Flaxseed—							
2 C.W.						175-11	175-11
	Net lbs.	Net lbs.	Net lbs.	Net lbs.	Net lbs.	Net lbs.	Net lbs.
Mixed Grain—							
Number 1		73,350	73,350				
Number 2		14,860	14,860				
Tgh. No. 4					70,000		70,000
Oats and Scalpings		251,780	251,780				
Sample		142,280	142,280				
Barley and Wild Oats	49,700		49,700				
Total	49,700	482,270	531,970		70,000		70,000
Scalpings	626,520	136,450	762,970				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by the Brooks Elevator Co., at Fort William during the Crop Year 1921-22 (September 1st, 1921, to August 31st, 1922, inclusive)

Grades	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Northern	23,411-10		23,411-10		2,200-00	28,707-20	30,907-20
No. 2 Northern	38,896-50		38,896-50		5,866-40	36,943-30	42,810-10
No. 3 Northern	200,597-00	4,677-10	205,274-10		31,195-30	346,221-30	377,417-00
Number 4	308,913-00	55,202-00	364,115-00		3,766-40	527,337-00	531,103-40
Number 5	115,429-50	24,832-00	140,261-50			31,840-00	31,840-00
Number 6	43,908-30	9,641-20	53,549-50		1,333-20		1,333-20
Feed	10,673-20		10,673-20				
Rejected No. 1 Nor	13,829-40		13,829-40				
Rejected No. 2 Nor	4,025-10	1,271-40	5,296-50				
Rejected No. 3 Nor	11,491 00	1,304-00	12,795-00				
Rejected No. 4	4,381-20		4,831-20			6,542-50	6,542-50
Rejected No. 5	2,341-20		2,341-20			1,208-40	1,208-40
Rejected No. 3 Nor. Sprtd	49,089 00		49,089-00		2,433-20	17,197-30	19,630-50
Rejected No. 4 Sprtd	18,738-20		18,738-20			5,614-40	5,614-40
Rejected No. 5 Sprtd	4,564 00		4,564-00			1,333-20	1,333-20
Rej. No. 1 Nor. Mix. Sand & Gravel	4,380-50		4,380-50				
Rej. No. 2 Nor. Mix. Sand & Gravel	720-10		720-10				
Rej. No. 3 Nor. Mix. Sand and Gravel	4,317-20		4,317-20				
Rej. No. 4 Mix. Sand & Gravel	429-20		429-20				
Smutty No. 3 Nor	3,153-40		3,153-40				
Thg. No. 2 Northern	5,637-50		5,637-50				
Thg. No. 3 Northern	58,416-30		58,416-30		5,088-20	30,029-00	35,117-20
Dp. No. 3 Northern	6,123-40		6,123-40			2,393-20	2,393-20
Tgh. No. 4	107,618-50		107,618-50		4,926-40	116,293-00	121,219-40
Dp. No. 4	9,220-30		9,220-30			3,357-50	3,357-50
Tgh. No. 5	20,175-50	1,104-10	21,280 00			19,840-40	19,840-40
Dp. No. 5	1,748-50		1,748-50				
Tgh. No. 6	12,165-10		12,165-10				
Tgh. Feed	2,877-10	1,348-00	4,225-10				
Tgh. Rej. No. 3 Nor	3,183 10		3,183-10				
Tgh. Rej. No. 4	1,279-40		1,279-40				
Tgh. Rej. No. 3 Nor. Sprtd	49,939-40		49,939-40			14,901-40	14,901-40
Dp. Rej. No. 3 Nor. Sprtd	5,400-50		5,400 50			16,567-20	16,567-20
Tgh. Rej. No. 4 Sprtd	17,543-50		17,543-50		3,754-20	4,269-30	8,003-50
Dp. Rej. No. 4 Sprtd	1,049-10		1,049-10				
Tgh. Rej. No. 5 Sprtd	1,163-30		1,163 30			1,173-00	1,173-00
Tgh. Rej. No. 3 Nor. Mix. Htd	616-30		616-30			630-20	630-20

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by the Brooks Elevator Co., at Wort William during the Crop Year 1921-22 (September 1st, 1921, to August 31st, 1922, inclusive)—*Con.*

Grades	Receipts from West	Transfers	Total Receipts	Shipments by Vessels	Shipments by Rail	Transfers	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
Tgh. Rej. No. 4 Mix. Htd	846-00		846-00				
Tgh. Rej. No. 3 Nor. Sprtd. Htg	1,433-30		1,433-30				
Tgh. Rej. No. 4 Sprtd. Htg	1,092-10		1,092-10				
Tgh. Rej. No. 5 Mix. Htd. & Htg	2,580-10		2,580-10		2,638-40		2,638-40
Tgh. Rej. No. 6 Mix. Htd. & Htg	452-10		452-10			476-00	476-00
Tgh. Rej. No. 3 Nor. Mix. Sand & Gravel	997-50		997-50				
Dp. Condemned No. 1 Rej. mix. Sand & Gravel Htd. & Htg.	731-40		731-40			766-40	766-40
Rej. No. 2 Nor. Mix. Htd.	1,422-40		1,422-40				
No. 3 Durum	323-40		323-40				
Grand Total	1,177,781-50	99,380-20	1,277,162-10		63,183-30	1,213,644-40	1,276,828-10
Oats—							
No. 2 C.W.	9,076-06		9,076-06		6,086-26	2,264-04	8,350-30
No. 3 C.W.	10,155-10		10,155-10		4,211-06	7,682-22	11,893-28
Ex. No. 1 Feed	10,117-32		2,117-32		2,035-30		2,035-30
No. 1 Feed	22,990-10		22,990-10		8,320-00	10,108-08	18,428-08
No. 2 Feed	20,834-24	1,671-16	22,506-06		3,777-02	14,595-10	18,372-12
Rejected	3,495-00		3,495-00			6,727-12	6,727-12
Tgh. No. 2 C.W.	2,091-16		2,091-16				
Tgh. No. 3 C.W.	51,111-26		51,111-26		20,293-18	11,394-14	31,687-32
Dp. No. 3 C.W.	5,978-18		5,978-18				
Tgh. No. 1 Feed	21,417-32		21,417-32		15,508-28	12,829-14	28,338-08
Dp. No. 1 Feed	3,611-26		3,611-26			5,977-26	5,977-26
Tgh. No. 2 Feed	10,561-16	1,949-24	12,511-06		7,545-20		7,545-20
Dp. Rejected	1,427-02		1,427-02				
Tgh. Rejected						1,832-32	1,832-32
Tgh. No. 2 C.W. Htg.	522-02		522-02				
Tgh. No. 3 C.W. Htg.	1,251-26		1,251-26				
Damp. Rej. Htd. Htg	1,837-22		1,837-22				
Tgh. No. 1 Feed Htg	1,222-12		1,222-12				
Rej. Mix. Htd	1,664-14		1,664-14			1,841-16	1,841-16
Grand Total	171,367-22	3,621-06	174,988-28		67,778-28	75,253-22	143,032-16

Barley—							
No. 3 C.W.	1,226-22		1,226-22				
No. 4 C.W.	1,700-10		1,700-10		1,666-32		1,666-32
Tgh. No. 3 C.W.	2,406-42		2,406-42		1,463-26	1,216-12	2,679-38
Tgh. No. 4 C.W.	1,062-44		1,062-44			1,789-28	1,789-28
Tgh. Rejected	2,382-24		2,382-24			3,656-02	3,656-02
Barley and Wild Oats	1,208-16		1,208-16				
Grand total	9,987-14		9,987-14		3,130-10	6,661-42	9,792-04
Flaxseed—							
Flax and Broken Wheat	22-40		22-40				
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—							
No. 1	34,430		34,430				
No. 2	73,480		73,480				
No. 3		80,740	80,740				
Rej. No. 1 Mix. Gravel	54,700		54,700			80,050	80,050
Rej. No. 2 Mix. Gravel	33,530		33,530				
Tgh. No. 1	42,210		42,210				
Tgh. No. 2	35,310		35,310				
Wheat and Rye	223,230		223,230				
Grand Total	496,890	80,740	577,630			80,050	80,050
Elevator Screenings		166,970	166,970			56,410	56,410
Standard Re-Cleaned Screenings						59,060	59,060
Scalpings		48,800	48,800			96,430	96,430

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Capital Private Terminal Elevator operated by Gooderham, Melady & Co. Ltd., Fort William, during the Crop Year 1921-22 (September 1st, 1921 to August 31st, 1922, inclusive)

Grades	Receipts from the West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
1 Northern	3,855-50		3,855 50			1,322-40	1,322-40
2 Northern	13,428-00	945 20	14,373-20			4,716-00	4,716-00
Dried 2 Northern		2,903-10	2,903-10			1,697,688-50	1,697,688-50
No. 3 Northern	823,510-40	159,608-10	983,118-50		156,916-40		156,916-40
Dried No. 3 Northern	1,062-10		1,062 10				
Number 4	334,456 30	104,801 50	439,258-20		6,965 50	546,127-30	553,093-20
Number 5	114,653-40	75,738-10	190,391-50			62,655-00	52,655-00
Number 6	24,984-30	11,875-20	36,859-50				
Feed	12,056-00	31,543-10	43,599-10				
Rej. No. 1 Nor	11,941-50	5,878-00	17,819-50				
Rej. No. 2 Nor	11,704-10	9,895-00	21,599-10				
Rej. No. 3 Nor	12,839-00	9,573-10	22,412-10				
Rej. No. 4	3,382-00	3,301-50	6,683-50				
Rej. No. 5		1,120-00	1,120-00				
Rej. No. 3 Nor. Sprouted	105,121 20	40,689 50	145,810 10			23,110-40	23,110-40
Rej. No. 4 Sprouted	31,147-00	20,271-10	51,418-10				
Rej. No. 5 Sprouted	4,070-30		4,070-30				
Rej. No. 1 Nor. Mix. Gravel	1,851-00		1,851 00				
Rej. No. 2 Nor. Mix. Gravel	7,957 50	5,874 40	13,832-30				
Rej. No. 3 Nor. Mix. Gravel	15,237 10	2,530 00	17,767-10				
Rej. 4 Mix. Gravel	2,320-40		2,230-40				
Rej. No. 5 Mix. Gravel	261 00		261 00				
Smutty No. 2 Nor		1,432-30	1,432-30			3,603-30	3,603-30
Smutty No. 3 Nor		2,406-40	2,406-40			1,316-40	1,316-40
Smutty No. 5		916-20	916-20			1,463-00	1,463-00
N.G. Tgh. 1 Nor	6,167-30		6,167-30				
N.G. Tgh. 2 Nor	6,883 00		6,883 00				
N.G. Tgh. 3 Nor	75,654 20	36,152 00	111,806 20				
N.G. Tgh. 4	51,118 40	35,598 50	86,717 30				
N.G. Tgh. 5	16,137-20	4,380 00	20,517-20				
N.G. Tgh. 5		6,588 00	6,588-00				
N.G. Tgh. Feed	1,157-10	8,712-50	9,870 00				
N.G. Tgh. Reg. No. 3 Nor	2,890-10		2,890-10				
N.G. Tgh. Rej. No. 4	2,762 10	664-00	3,426 10				
N.G. Tgh. Rej. No. 3 Nor. Sprouted	69,886-10	28,801-20	98,687 30				
N.G. Tgh. Rej. No. 4 Sprtd	17,139 20	6,889-30	24,028-50				

N.G. Tgh. Rej. No. 5 Sprtd	1,324 50	1,403–40	2,728–30				
N.G. Tgh. Smutty 4		1,317–00	1,317–00				
N.G. Tgh. Hcj. 1 Nor. Mix. Gravel	621–10	1,013–30	1,634–10				
N.G. Tgh. Rej. No. 2 Nor. Mix. Gravel	567–50	1,098 40	1,666–30				
N.G. Tgh. Rej. No. 4 Mix. Gravel	811–00		811–00				
N.G. Tgh. Rej. No. 4 Mix. Sand	269–40		269–40				
N.G. Tgh. Rej 3 Nor. Sptd. Rej. Mix Cinders	789–40		789–40				
Rej. No. 3 Nor. Mix. Htd		1,207–40	1,207–40				
Sample	306,625–10	141,515–30	451,141–10				
Grand total	2,096,556 30	769,646–50	2,866,203 20		163,882–30	2,332,003–50	2,495,886–20
Oats—							
3 C.W	1,388–08		1,388–08				
No. 1 Feed	1,045–20	2,000–00	3,045 20				
No. 2 Feed	200–20	9,328–28	9,529–14			27,717–32	27,717–32
Rejected	295 20	4,000–00	4,295–20			6,229–14	6,229–14
Rejected Mix. Earth	1,507–32		1,507–32				
Tgh. No. 3 C.W						1,707–32	1,707–32
Tgh. 2 Feed	140–20		140–20			1,818–18	1,818–18
Rejected Mix. Htd		1,706–16	1,706–16				
Oats and Wild Oats						4,000 00	4,000–00
Sample	4,494–04	7,177–22	11,671–26				
Grand total	9,072 22	24,212–32	33,285–20			41,473–28	41,473–28
Barley—							
3 C.W	905–30		905–30				
4 C.W						1,312–24	1,312–24
Grand total	905–30		905–30			1,312–24	1,312–24
	Net lbs.	Net lbs.	Net lbs.	Net lbs.	Net lbs.	Net lbs.	Net lbs.
Mixed Grain—							
No. 3	38,430	210,750	249,180				
No. 4		57,770	57,770				
Rej. No. 2 Mix. Gravel	38,120	54,179	92,290				
Dp. Rej. No. 1 Mix. Gravel	15,820		15,820				
Sample		154,190	154,190				
Grand total	92,370	476,880	569,250				
Screenings	131,700		131,700		527,520	1,090,440	1,617,960
Scalpings	179,530	459,960	639,490			1,192,710	1,192,710

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the receipts and shipments, by Grades, at the Diamond Hill Private Terminal Elevator operated by Davidson and Smith at Fort William,.. during the Crop Year 1921-22 (September 1, 1921 to August 31, 1922, inclusive)

Grades	Receipts from the West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipmen	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Northern	4,545 30		4,545-30			2,583-20	2,583-20
No. 2 Northern	66,998-50	20,359-00	87,357 50		50,491-20	14,342-20	64,833-40
No. 3 Northern	118,056 50	59,009-10	167,066-00		44,728-00	444,928-50	489,656-50
Dried No. 3 Nor		1,282-10	1,282-10			5,186 50	5,186-50
No. 4	21,005-40	118,317 20	139,323-00		25,031-00	229,234-30	254,265-30
No. 5	5,387-40	86,844 20	92,232 00			5,891-30	5,891-30
No. 6	3,239-50	52,522-10	55,762 00			5,562-10	5,562 10
Feed		10,958-30	10,958-30				
Rej. No. 1 Nor		1,099-20	1,099-20				
Rej. No. 2 Nor	913-50	3,586 50	4,500-40			2,638-20	2,638-20
Rej. No. 3 Nor	2,594-20	6,401-50	8,996-10				
Rej. No. 4	735-00		735-00				
Rej. No. 5		1,142-40	1,142-40			1,055-20	1,055-20
Rej. No. 3 Nor. Sprtd	25,094-00	11,824-40	36,918-40				
Rej. No. 4 Sprouted	1,358-20	13,683-50	15,042-10				
Smutty No. 3 Nor	996-00		996-00				
N.G. Tgh. No. 2 Nor	1,005 30	1,042 10	2,047-40				
N.G. Tgh. No. 3 Nor	4,493-00	17,721-10	22,214-10				
N.G. Dp. No. 3 Nor	962-00		962-00				
N.G. Tgh. No. 4	5,219-20	34,357 20	39,576-40			8,195-40	8,195-40
N.G. Tgh. No. 5	1,394-10	4,430-40	5,824-50				
N.G. Tgh. No. 6		18,146-40	18,146-40			11,209-40	11,209-40
N.G. Tgh. Feed		10,597-40	10,597 40			5,525-30	5,325-30
N.G. Tgh. Rej. No. 3 Nor. Sprtd	7,121-40	13,597-20	20,719-00				
N.G. Tgh. Rej. No. 4 Sprtd	3,443-20	16,067-00	19,510-20				
N.G. Tgh. Rej. No. 5 Sprtd	1,426 00		1,426 00				
Sample		6,120-40	6,120-40				
Total	275,990-50	499,112-30	775,103-20		120,250-20	736,154-00	856,404-20
Oats—							
No. 2 C.W	15,842-22		15,842-22			1,902-32	1,902-32
No. 3 C.W	8,924-04		8,924-04		1,924-24	2,130-00	4,054-24
Extra No. 1 Feed	6,792 22		6,792-22			3,708-08	3,708-08
No. 1 Feed	2,320-10	11,400-08	13,630 18		3,897-02		3,897 02
No. 2 Feed	5,216 26	18,705-20	23,922-12		25,240-00	17,847-12	43,087-12
Rejected		4,102-22	4,102-22			1,148-08	1,148-08
Tgh. No. 2 C.W		2,157-12	2,157-12				

Tgh. No. 3 C.W.	9,220-10	2,013-28	11,234-04				
Tgh. No. 1 Feed	3,540-20	14,175-24	17,716-10				
Tgh. No. 2 Feed	2,019-04	9,670-00	11,689 04				
Sample		3,953-10	3,953-10				
Total	53,791-16	66,178 22	119,970-04		31,061-26	26,736-26	57,798-18
Barley—							
No. 3 C.W.	8,179-20		8,179-20			2,804-08	2,804-08
No. 4 C.W.	2,679-20		2,679-20			1,416-12	1,416-12
Tgh. Rejected	1,292-34		1,292-34				
Total	12,151-26		12,151-26			4,220-20	4,220-20
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—							
No. 3	60,600		60,600				
No. 4	64,150		64,150				
Total	124,750		124,750				
Screenings		7,231,390	7,231,390		20,000		20,000
Standard Re-cleaned Screenings		180,000	180,000				
Scalpings		148,750	148,750				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by James Davidson at Fort William, during the Crop Year 1921–22 (September 1st, 1921 to August 31st, 1922, inclusive)

Grade	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—							
Wheat, Oats, Barley, Rye and Scalpings					60,000		60,000
Rejected No. 3					58,800		58,800
Rej. Wheat, Oats and Rye					85,640		85,640
Grand Total					204,440		204,440
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Corn	2,631–34		2,631–34				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments at the Private Terminal Elevator operated by the Empire Elevator Co., at Fort William, during the Crop Year 1921-22 (September 1st, 1921 to August 31st, 1922, inclusive)

Grade	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
One Hard	93,710-20		93,710-20				
1 Northern	2,174,293-10		2,174,392-10	2,790-753.30	5,068-30	2,434-00	2,798,256-00
2 Northern	1,178,110 00		1,178,110-00	1,139,030 20	19,900-00		1,158,930-20
3 Northern	1,618,568 50		1,618,568-50	1,625,509-00	80,300 00	151,000-00	1,856,809-00
Number 4	946,073 30	2,528-10	948,601-40	761,201-50	128,400-00		889,601-50
Number 5	309,875-10	29,344 00	339,209-10	95,872-20	7,346-40	8,853-20	112,072-20
Number 6	73,656-10	6,592-10	80,248-20	34,693-10	1,100-00	1,727-30	37,520-40
Feed	22,677-20		22,677-20		1,333-20		1,333-20
Rej. No. 1 Nor	6,341 20	1,131-20	7,472 30			1,509-50	1,509-50
Rej. No. 2 Nor	10,024 50	1,059 50	11,084-40	2,740 50			2,740-50
Rej. No. 3 Nor	22,012-50	2,858 40	24,871-20	33,654-50	1,411-00	9,973-30	45,039-20
Rej. No. 4	13,428 40	1,849 20	15,278-00				
Rej. No. 3 Nor. Sprtd	186,492 30	21,055 20	207,547-50	40,026-30			40,026-30
Rej. No. 4 Sprtd	25,750 00	3,295-40	29,045-01				
Rej. No. 5 Sprtd	2,170 30		2,170 30				
Smutty No. 4	385-30		385-30				
Tgh. No. 1 Nor	2,891-00		2,891-00				
Tgh. No. 2 Nor	3,344-30	1,357-00	4,691-30				
Tgh. No. 3 Nor	88,960-10	5,500 50	94,119-00	356-50			356-56
Tgh. No. 4	81,882-40	1,465-40	83,348-20				
Tgh. No. 5	16,036-10		18,036-10				
Tgh. No. 6	4,874-40		4,874-40				
Dp. No. 6	1,509-50		1,509-50				
Tgh. Feed	176-40		176-40				
Tgh. Rej. No. 3 Nor. Sprtd	41,404-20	2,564-00	43,968-20				
Tgh. Rej. No. 4 Sprtd	15,842 50		15,842-50				
Tgh. Rej. No. 5 Sprtd	821-10		821-10				
2 Durum	4,303-00		4,303-00	5,059-10			5,059-10
3 Durum	6,516-50		6,516-50	9,353-10			9,353-10
Rejected Durum	150-00	726-20	876-20				
Spring and Durum	7,748-10	1,852-50	9,601-00				
Wheat and Ragweed	1,047-00		1,047-00				
Total	6,962,789-30	83,181-00	7,045,970-30	6,538,251-30	244,859-30	175,498-10	6,958,609-10

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, at the Private Terminal Elevator operated by the Brooks Elevator Co., at Fort William during the Crop Year 1921-22) September 1st, 1921, to August 31st, 1922, inclusive)—*Con.*

Grades	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Oats—							
2 C.W.	120,814-14	.....	120,814-14	334,700-09	36,876-16	.....	371,576-25
3 C.W.	188,233-06	.....	188,233-06	137,354-32	25,094-04	.....	162,449-02
Ex. 1 Feed	28,339-24	.....	28,339-24	23,891-14	17,105-30	.....	40,997-10
1 Feed	111,072-16	.....	111,072-16	73,811-02	1,941-06	.....	75,752-08
2 Feed	73,952 02	.....	73,952-02	134,155-17	63,352-32	.....	197,508-15
Rejected	2,330-16	.....	2,330-16	63,065-20	.....	.....	63,065-20
Tgh. No. 2 C.W.	19,396-16	.....	19,396-16	.....	7,741-06	.....	7,741-06
Tgh. No. 3 C.W.	122,997-12	.....	122,997 12	.....	42,930-30	.....	42,930-30
Damp No. 3 C.W.	11,854-14	.....	11,854-14	.....	.....	.....	.....
Tgh. No. 1 Fd.	44,550-12	.....	44,550-12	.....	7,764-24	.....	7,764-24
Damp No. 1 Feed	1,880-30	.....	1,880-30	.....	.....	.....	.....
Tgh. No. 2 Feed	28,074-24	.....	28,074-24	.....	.....	.....	.....
Tgh. Rejected	1,777-02	.....	1,777-02	.....	.....	1,777-02	1,777-02
Tgh. Oats and Wild Oats	1,753 18	.....	1,753-18	.....	.....	.....	.....
Total	757,027-02	.....	757,027-52	766,978-26	202-807,12	1,777-02	971,563-06
Barley—							
3 C.W.	112,066-12	.....	112,066-12	157,290-43	16,120-00	.....	173,410-43
4 C.W.	59,413-26	.....	59,413-26	36,627-14	.....	.....	36,627-14
Feed	3,375-26	.....	3,375-26	1,998-26	1,375-00	.....	3,373-26
Rejected	16,239 08	.....	16,239-08	14,579-38	3,333-16	.....	17,913-06
Tgh. No. 3 C.W.	24,762 34	.....	24,762-34	.....	.....	.....	.....
Tgh. No. 4 C.W.	8,675-00	.....	8,675-00	7,735-50	.....	.....	7,735-30
Tgh. Feed	1,661-12	.....	1,661-12	.....	.....	.....	.....
Tgh. Rejected	8,113-46	.....	8,113-26	.....	.....	.....	.....
Barley and Wild Oats	1,344-08	.....	1,344-08	.....	.....	.....	.....
Total	235,649-28	.....	235,649 28	218,232-07	20,828-16	.....	239,060-23
Flaxseed—							
1 N.W.C.	523-19	.....	523-19	33,682-14	.....	.....	33,682-14
2 C.W.	82 52	.....	82 52	.....	.....	.....	.....
3 C.W.	284-15	.....	284-15	.....	.....	.....	.....
Rejected	36-55	.....	36-55	47-38	.....	.....	47-38
Rej. No. 3 C.W. Htg.	.....	.....	.....	126-02	.....	.....	126-02
Flax and Broken Wheat	264-48	.....	264-48	.....	.....	.....	.....
Total	1,192-21	.....	1,192-21	33,855-54	.....	.....	33,855-54

Mixed Grain—	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
No. 1	67,220	.....	67,220	.....	.....	.....	.....
No. 3	68,950	.....	68,950	.....	.....	.....	.....
No. 4	13,550	.....	13,550	.....	.....	.....	.....
Tgh. No. 1	63,150	.....	63,150	.....	.....	.....	.....
Tgh. No. 2	39,260	.....	39,200	.....	.....	.....	.....
Wheat and Barley	1,800	.....	1,800	.....	.....	.....	.....
Total	253,870	.....	253,870	.....	.....	.....	.....
Screenings	.....	50,000	50,000	2,488,000	1,214,000	.....	3,702,000
Standard Re-Cleaned Screenings	.....	.....	.....	.....	188,000	.....	188,000
Scalpings	639,040	.....	639,040	.....	.....	.....	.....

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the "Island" Private Terminal Elevator operated by the Gillespie Terminal Grain Co., Fort William, during the Crop Year 1921-22 (Sept. 1st, 1921 to August 31st, 1922, inc.).

Grades	Receipts from the West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
One Hard	29,854 30		29,854 30				
Two Northern	638,352 50		638,352 50	809,218 10	3,200-00	7,133-20	819,551-30
One Northern	556,151 20	2,743 30	558,894 50	338,910-00	52,166 40	5,637-40	396,714 20
Three Northern	1,056,227 40		1,056,227-40	1,541,086 30	223,343 20	27,716 20	1,792,236-10
Number 4	408,749 40	103,645 40	512,395 20	241,757 20	26,200-00	31,453 20	299,410-40
Number 5	81,052 40	66,584 30	147,637-10		25,000-00	65,881-00	90,881-00
Number 6	27,901 20	8,351-30	36,252 50			2,135-50	2,135 50
Feed	1,174-40	1,764 10	2,938 50			4,381-30	4,381-30
Rej. No. 1 Nor	22,237-00		22,237-00			2,336-20	2,336-20
Rej. No. 2 Nor	18,885-40		18,885-40			11,457-30	11,457-30
Rej. No. 3 Nor	16,013 20	2,638 10	18,651 30			3,931-30	3,931-30
Rej. No. 3 Nor. Sprtd	181,874 40	9,214 00	191,088 40				
Rej. No. 4 Sprtd	21,658 10	14,301-20	35,959 30				
Rej. No. 5 Sprtd	938-40		938-40				
Rej. No. 2 Nor. Mix. Gravel	1,282 00		1,282 00				
Smutty No. 1 Nor	9,302 50		9,302 50				
Smutty No. 2 Nor	1,466 30		1,466 50				
Smutty No. 3 Nor	4,787 20		4,787 20				
Smutty No. 4	96 50		96 50				
Smutty No. 5	225-50		225 50				
Tgh. No. 1 Nor	3,281-00		3,281-00				
Tgh. No. 2 Nor	10,048 10		10,048 10		1,500-00		1,500-00
Tgh. No. 3 Nor	48,509 10	4,170-30	52,679 40		30,700-00	29,412-30	60,112 30
Tgh. No. 4	32,510-20	3,337-50	35,848 10			15,320-00	15,320-00
Tgh. No. 5	3,265 00	4,473-20	7,738-20			3,967-00	3,967-00
Tgh. No. 6	7,810 10		7,810-10			4,535-40	4,535-40
Tgh. Feed	1,410 10		1,410 10				
Tgh. Rej. No. 3 Nor. Sprtd	69,040 10	9,443 30	78,483 40				
Dp. Rej. No. 3 Nor. Sprtd	1,013-00	1,560-30	2,573-30				
Tgh. Rej. No. 4 Sprtd	18,990 50	5,267-40	24,258-30				
Dp. Rej. No. 4 Sprtd	376-50		376-50				
Tgh. Rej. No. 5 Sprtd	1,103-00		1,103-00				
Dp. Rej. No. 5 Sprtd	713-20		713-20				
Tgh. Rej. No. 6 Mix. Htd	547-50		547-50				
Dp. Rej. No. 3 Nor. Mix. Sand. etc	30-50		30-50				

Tgh. Rej. No. 5 Htd		1,296-30	1,296-30				
Rej. No. 1 Nor. Mix. Htd		1,044 50	1,044-50				
Sample		1,009-30	1,009 30				
Wheat and Ragweed	1,004 20		1,004-20				
Wheat and Wild Oats	1,091 40		1,091-40				
Total	3,278,979-20	240,847 00	3,519,826-20	2,930,972 00	362,200-00	215,299-30	3,508,471-30
Oats—							
No. 2 C.W	20,530-00		20,530-00	37,519-24			37,519-24
No. 3 C.W	5,709-04		5,709-04		1,700-00	1,800-00	3,500-00
Ex. No. 1 Feed	4,036-16		4,036-16				
No. 1 Feed	2,045 00		2,045 00				
No. 2 Feed	4,134 32		4,134 32				
H.G. Tgh. No. 2 Feed	686-28		686-28			991-16	991-16
Total	37,142-12		37,142 12	37,519-24	1,700-00	2,791-16	42,011-06
Barley—							
No. 3 C.W	5,769-28		5,769-28			8,547-34	8,547-34
No. 4 C.W	4,387 04		4,387-04			1,458-16	1,458-16
Feed	5,501 22		5,501 22				
Rejected	1,578 26		1,578 26				
N.G. Tgh. No. 3 C.W	1,223 06		1,223 06				
N.G. Tgh. No. 4 C.W	933-16		933-16				
Total	19,383-06		19,393-06			10,006-02	10,006-02
Mixed Grain—	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
No. 4	6, 050		6,050				
Wheat and Rye	54,720		54,720				
Wheat and Oats	77,900		77,900				
Total	138,670		138,670				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT- Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevators "A" and "C" operated by the Gillespie Terminal Grain Company at Fort William during the Crop Year 1921-1922 (Sept. 1st, 1921 to Aug. 31st, 1922 inclusive)

Grades	Receipts from the West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Hard	34,176-20		34,176-20	25,262-30			25,262-30
No. 1 Northern	1,179,111-00	1,081-50	1,180,192 50	1,428,442 00	28,930-00		1,157,372-00
No. 2 Northern	1,385,801-30		1,385,801 30	1,300,091 50	96,500-00	2,745 00	1,399,366-50
No. 3 Northern	1,657,330-20		1,657,330 20	2,140,826-20	78,600-00	15,883-20	2,235,259-40
Number 4	607,697-40	5,460-40	613,158 20	400,077-20	5,966-40		406,044-00
Number 5	138,478 30	2,219-20	140,697 50	25,000-00	10,500-00	30,000-00	65,500-00
Number 6	53,841-00	3,684-20	57,525-20			12,000-00	12,000-00
Feed	7,095-30	4,379-10	11,474-40				
Rej. No. 1 Nor	7,264-20	1,200-00	7,464-20				
Rej. No. 2 Nor	21,190-00		21,190-00	15,000-00			15,000-00
Rej. No. 3 Nor	47,279-30	9,188-10	56,467-40		25,000-00		25,000-00
Rej. No. 4	8,678-10		8,678-10				
Rej. No. 6	660 30		66 30				
Rej. No. 3 Nor. Sptd	247,971-00	2,254-40	250,225-40	25,000-00	25,000-00	1,000-00	51,000-00
Rej. No. 4 Sptd	38,369-10	11,361-10	49,730 20				
Rej. No. 5 Sptd	1,144-30		1,144 30				
Rej. No. 2 Nor. Mix. Htg	1,001 30		1,001 30				
Smutty No. 2 Nor	1,109-50		1,109-50				
Smutty No. 3 Nor	3,435-00		3,435-00			1,971-30	1,971-30
Smutty No. 4	1,567-00		1,567-00				
N. G. Tgh. No. 2 Nor	9,516 10		9,516 10				
N.G. Tgh. No. 3 Nor	63,085.40	3,372-20	66,458-00	10,178-40	12,200-00	3,133-20	25,512-00
N.G. Tgh. No. 4	66,681-10	1,585-10	68,266-20				
N.G. Tgh. No. 5	22,031-20		22,031-20				
N. G. Tgh. 6	20,142-40	1,172-50	21,315-30				
N. G. Tgh. Feed	6,245-20		6,245-20				
N. G. Tgh. Rej. No. 3 Nor	5,699-00		5,699-00				
N. G. Tgh. Rej. No. 4	5,281-50		5,281-50				
N. G. Tgh. Rej. No. 5	1,952-00		1,952-00				
N. G. Tgh. Rej. No. 3 Nor. Mix. Htg	1,385-00		1,385-00				
N. G. Rej. No. 3 Nor. Sptd	84,149-30	2,998-20	87,137-50				
N.G. Tgh. Rej. No. 4 Sptd	25,258-00	2,999-40	28,257-40				
N. G. Tgh. Rej. No. 5 Sptd	872-00	981-40	1,853-40				
N.G. Dp. Rej. 3 Nor. Sptd	7,820-40		7,820-40				
N. G. Tgh. Rej. No. 3 Nor. Mix. Htd	674-20		674-20				
N. G. Tgh. Cond. No. 4	225-20		225-20				
Rej. No. 2 Nor. Mix. Htd	424-00		424-00				
Rej. No. 4Mix. Htd	1,060-40		1,060-40				
Rej. No. 5 Mix. Htd	1,328-10		1,328-10		2,400-00		2,400-00
Wheatand Ragweed	6,414-30		6,414-30				

Sample	901-00		901-00				
Nol. 1 Durum	1,362-30		1,362-30				
No. 2 Durum	5,240-40		5,240 40	1,277 20			1,277 20
No. 3 Durum		666 10	666-10				
Rej. No. 2 Durum				991 40			991-40
Rej. Spring and Durum	2,966-00		2,966-00				
Spring and Durum	2,243 30		2,243 30				
Rej. No. 3 Durum	3,804-10		3,804-10				
Rej. No. 2 Nor. Mix. Gravel	1,383-00		1,383-00				
Tgh. Smutty No. 4	1,415-10		1,415 10				
Total	5,792,765-40	54,595-30	5,847,361 10	5,372,147-40	285,096-40	66,683-10	5,723,927-30
Oats—							
No. 1 C.W.	6,215-10		6,215-10				
No. 2 C.W.	714,154-24		714,154-24	950,846-12	87,333 18	3,000-00	104,179-30
No. 3 C.W.	661,750-30	1,762-22	663,513-18	456,321-29	116,201-18	4,000-00	576,523-13
Extra No. 1 Feed	308,023-20		308,023-20	211,127-12	136,338-08	3,764-24	351,230-10
No. 1 Feed	276,456-26		276,456-20	12,257-12	75,294-04	2,000-00	89,351-16
No. 2 Feed	198,050-50		198,050-50	286,701-26	63,764-24		350,466-16
Rejected	9,823-20		9,823-20		5,523-18		5,823-18
N.G. Tgh. No. 2 C.W.	78,230-00	2,053-28	80,283-28	1,950-30	11,941-06	1,798-18	15,690-20
N.G. Tgh. No. 3 C.W.	246,649-00	5,979-14	252,628-14	8,457-22	145,023-18	6,000-00	159,481-06
N.G. Tgh. Extra No. 1 Feed	18,273-06		18,273-06				
N.G. Tgh. No. 1 Feed	54,050-00	1,935-00	55,985-00	21-32		1,978-02	2,000-00
N.G. Tgh. No. 2 Feed	43,090-00	1,413-08	44,503-08	3,613-08	13,800-00		17,413-08
N.G. Dp. 2 Feed	11,185-00	822-12	12,007-12			1,720-20	1,726-20
N.G. Tgh. Rej	4,035-00	1,832-12	5,867-12	1,832 02			1,832 02
N.G. Tgh. Rej. Mix. Htd	3,252-00		3,252-00				
Rej. Mix. Htd	13,440-00		13,440-00		1,675-10		1,675-10
Total	2,646,680-10	15,978-28	2,662,479-04	1,933,130-15	657,195-22	24,261-30	2,614,587-33
Barley—							
No. 3 C.W.	497,630-06		497,630-06	465,150-10	63,899-28		529,049-38
No. 4 C.W.	275,191-02		275,191-02	430,813-18	42,833-32		473,647-02
Feed	35,667 24		35,667 24				
Rejected	59,281 12		59,281 12		17,600 00		17,600-00
Tgh. No. 3 C.W.	74,045 10		74,045 10		1,475-00		1,375 00
Tgh. No. 4 C.W.	57,720-10		52,720 10				
Dp. No. 4 C.W.	8,376 32		8,376-32				
Tgh. Feed	5,597 24	3,291-42	12,889-18				
Tgh. Rej.	16,266-42		16,266-42				
Dp. Rej.	1,964 18		1,964 18				
Tgh. Rej. Mix. Htd	1,679-38		1,679-38			413 26	413-26
Tgh. No. 3 C.W. Htg.	491-12		491-12				
Tgh. Barley and Wild Oats	301-12		301-12				
Tgh. Rej. Mix. Coal oil	915-10		915-10				
Total	1,014,128-18	3,291-42	1,037,420-12	895,963-28	125,708-12	413-26	1,922,085-18

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevators "A" and "C" operated by the Gillespie Terminal Grain Company at Fort William during the Crop Year Year 1921 1922 (Sept. 1st, 1921 to Aug. 31st, 1922 inclusive)—*Continued*

Grades	Receipts from the West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—							
Number 1	22,460		22,640				
Number 2	207,530		207,530				
Number 3	295,720		295,720		146,000		146,000
Number 4	86,500		86,500			79,530	79,530
Wheat and Rye	108,570		108,570				
Wheat, Barley and Wild Oats	19,550	82,830	102,380				
Wheat and Ragweed	62,280		62,280				
Tgh. No. 4	36,440		36,440				
Tgh. No. 3	24,060		24,060				
Total	863,290	82,830	964,120		146,000	79,530	225,530
Screenings					308,540	5,373,990	5,709,110
Scalpings	2,241,890	2,489,260	4,731,150	1,186,030		2,315,340	3,501,370

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by the Merchants' Grain Company at Fort William during the Crop Year 1921–1922 (September 1, 1921 to August 31, 1922, inclusive)

Grades	Receipts from the West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—							
Wheat, Oats and Rye						7,910	7,910
Screenings					113,940	32,380	146,320

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by the Muirhead Grain Company at Fort William, during the Crop Year 1921–1922 (September 1, 1921 to August 31, 1922, inclusive)

Grades	Receipts from the West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Barley—							
N.G. Tgh. Rej. Mxd. Htd.	854 08		854-08			853–36	853–36
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—							
No. 2	15,400		15,400			14,920	14,920
Scalpings						46,330	46,330

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by the Mutual Elevator Company, at Fort William, during the Crop Year 1921-1922 (September 1, 1921 to August 31, 1922, inclusive)

Grades	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Hard	132,060-30		132,060-30			130-00	130-00
No. 1 Northern	2,104,545-20		2,104,545-20	2,109,695-20	69,466-40		2,179,162-00
No. 2 Northern	1,790,672-30		1,790,672-30	1,993,451-20	166,400-00		2,159,851-20
No. 3 Northern	2,670,273-20		2,670,273-20	3,685,993-10	584,333-20	79,533-20	4,349,859-50
Dried No. 3 Northern						3,066-40	3,066-40
No. 4	980,748-10	18,546-00	999,294-10	321,979-50	50,800-00	35,800-00	408,579-50
No. 5	219,607-10	15,382-00	234,989-10				
No. 6	44,386-00	8,819-20	53,205-20				
Feed	4,672-10		4,672-10			555-00	555-00
Rejected No. 1 Nor	24,318-40		24,318-40				
Rej. 2 Nor	32,042-20		32,042-20	15,000-00	8,000-00	1,180-00	24,180-00
Rej. 3 Nor	45,878-40	1,013-00	46,891-40			5,000-00	5,000-00
Rej. No. 4	11,212-50	1,040-00	12,252-50				
Rej. No. 5	1,474-10		1,474-10				
Rej. No. 3 Nor. Sptd	472,515-20	74,266-30	546,781-50	254,662-00			254,662-00
Rej. No. 4 Sptd	87,364-40	38,054-10	125,418-50				
Rej. No. 5 Sptd	10,709-50		10,709-50			727-30	727-30
Rej. No. 3 Nor. Rej. Sptd	991-10		991-10				
Rej. No. 3 Nor. Mix. Ergot	1,048-20		1,048-20				
Rej. No. 3 Nor. Sptd. Mix. Earth	784-20		784-20				
Smutty No. 3 Nor	1,351-20		1,351-20				
Tgh. No. 2 Nor	3,381-10	2,461-00	5,842-10				
Dp. No. 2 Nor	2,523-20		2,523-20				
Tgh. No. 3 Nor	103,784-20	11,180-50	114,965-10				
Dp. No. 3 Nor	16,508-20		16,508-20				
Tgh. No. 4	92,048-30	11,527-50	103,576-20				
Dp. No. 4	29,273-40		29,273-40				
Tgh. No. 5	24,890-40	2,515-30	27,406-10				
Dp. No. 5	4,496-50		4,496-50				
Tgh. No. 6	2,232-20		2,232-20				
Dp. No. 6	1,447-40		1,447-40				
Tgh. Rej. 3 Nor	3,137-10		3,137-10				
Dp. Rej. No. 3 Nor	1,775-00		1,775-00				
Tgh. Rej. No. 4	1,184-40		1,184-40				
Dp. Rej. No. 4	1,614-00		1,614-00				
Tgh. Rej. No. 5	2,050-10		2,050-10				
Tgh. Rej. No. 3 Nor. Sptd	172,056-10	18,363-20	190,419-30				
Dp. Rej. No. 3 Nor. Sptd	4,074-00		4,074-00				

Tgh. Rej. No. 4 Sptd	82,519-40	31,476-20	113,996-00				
Dp. Rej. No. 4 Sptd	5,880-30		5,880-30				
Tgh. Rej. No. 5 Sptd	915-30		915-30				
Dp. Rej. No. 5 Sptd	343-10		343 10				
Dp. Rej. No. 4 Mix. Fireburnt	359-20		359-20				
Tgh. Rej. No. 4 Sptd. Rej. Mix. Htd. and Htg	994-20		994-20				
Wheat and Rag Weed	2,073-20		2,073-20				
Rej. No. 2 Nor. Mix. Htd	4,178-10		4,178-10				
Rej. No. 1 Nor. Mix. Htd		2,967-40	2,967-40				
Total	9,200,398-50	237,613 30	9,438,012-20	8,380,781-40	879,000-00	125,992-30	9,385,774-10
Oats—							
No. 3 C.W	2,602-06		2,602-06				
No. 1 Feed	1,860-10		1,860-10		1,861-26		1,861-26
No. 2 Feed	8,658-06		8,658-06		5,675-00		5,765-00
Rejected	79 04		79-04				
Tgh. No. 2 C.W	127-12		127-12	3,064-24			3,064-24
Tgh. No. 3 C.W	25,990-20		25,990-20				
Dp. No. 3 C.W	27,379-04		27,379-04				
Tgh. Extra No. 1 Feed	2,170-00		2,170 00				
Tgh. No. 1 Feed	14,430-00		14,430-00	1,197-32			1,197-32
Dp. No. 1 Feed	24,068-08		24,068-08				
Tgh. No. 2 Feed	5,467-02		5,467-02		85,941-06		85,941-06
Dp. No. 2 Feed	12,638-28	1,854-24	14,493-18		9,705-30	7,764-24	17,470-20
Dp. Cond. Htd	2,066-16		2,066-16				
Tgh. Rej					5,294-04		5,294-04
Tgh. Rej. Mxd. Htd					27,000-00		27,000-00
Dp. Rej. Mix. Htd					1,941-06		1,941-06
Oats and Wild Oats					1,941-06		1,941-06
Total	127,537-14	1,854-24	129,392-04	4,262-22	139,450-10	7,764-24	151,477-22
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—							
Wheat and Rye	105,640		105,640				
Tgh. Oats Scalpings						126,000	126,000
Total						126,000	126,000
Screenings				52,000	540,000	99,000	691,000
Scalpings				437,430	2,724,000	107,700	3,269,130

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by the Mount McKay Feed Company at Fort William during the Crop Year 1921-1922 (Sept. 1st, 1921 to August 31st, 1922 inclusive.)

Grades	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
Number 4						2,210-50	2,210-50
Number 5					1,000-00	11,506-50	12,506-50
Number 6					2,000-00	3,112-20	5,112-20
Feed						1,104-050	1,014-50
Tgh. No. 6					2,200-00		2,200-00
Tgh. Rej. No. 3 Nor. Mix. Htd						1,009-00	1,009-00
Tgh. Rej. No. 4 Mix. Htd					1,176-00		1,176-00
Tgh. Rej. No. 5 Mix. Htd					1,100-00		1,000-00
Tgh. Cond. No. 2					1,000-00		1,000-00
Tgh. Cond. Fireburnt	1,082-40		1,082-40				
Dried Cond. No. 2 Htd. Mix. Gravel	418-30		418-30				
Rej. No. 2 Nor. Mix. Htd					998-40		998-40
Rej. No. 4 Mix. Htd					1,100-00		1,100-00
Rej. Nol 6 Mix. Htd	1,004-20		1,004-20		925-00		925-00
Condemned No. 2					927-30		927-30
Cond. No. 1 Fireburnt	2,433-20		2,433-20		1,022-50		1,022-50
Cond. No. 2 Fireburnt					1,951-50		1,951-50
Spring Durum					1,072-30	1,200-00	2,272-30
Red Durum					1,000-00		1,000-00
Spring Durum Mix. Htd					970-00		970-00
Total	4,938-50		4,938-50		18,444-20	20,053-50	38,498-10
Oats—							
No. 1 C.W	3,807-22		3,807-22				
No. 2 C.W	1,977-32		1,977-32		3,741-06		3,741-06
No. 3 C.W	1,959-04		1,959-04		2,000-00		2,000-00
Extra No. 1 Feed					1,831-16		1,831-16
No. 1 Feed					1,912-12		1,912-12
Tgh. No. 2 C.W						2,006-06	2,006-06
Dp. No. 3 C.W	3,480-30		3,480-30				
Tgh. Rej. Mix. Htd	3,797-12		3,797-12				
Rej. Mix. Htd					88-08		88-08
Total	15,022-32		15,022-32		9,573-08	2,006-06	11,579-14

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BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by the R. B. McClean Grain Co., Ltd., at Fort William during the Crop Year 1921-22 (Sept. 1st, 1921 to August 31st, 1922, inclusive)

Grades	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 2 Northern	25,597-30		25,597-30		6,266-40	19,478-20	25,745-00
No. 3 Northern	162,424-20	1,512-50	163,937-10		80,866-40	170,886-20	251,753-00
Number 4	135,165-50		135,165-50		12,566-40	137,279-30	149,846-10
Number 5	57,115-40	2,360-40	59,476-20			56,589-50	56,589-50
Number 6	35,512-30	9,068-00	44,580-30			1,133-20	1,133-20
Feed	3,545-30	2,655-50	6,201-20			1,023-20	1,023-20
Rej. No. 1 Nor	1,472-50		1,472-50				
Rej. No. 3 Nor	7,182-20		7,182-20				
Rej. No. 4	813-50		813-50				
Rej. No. 3 Nor. Sprtd	18,559-50	4,191-40	22,751-30			11,917-40	11,917-40
Rej. No. 4 Sprtd	3,287-30	1,430-10	4,717-40				
Rej. No. 5 Sprtd	931-00		931-00			4,174-20	4,174-20
Tgh. No. 2 Nor	2,960-00		2,960-00			2,936-50	2,936-50
Tgh. No. 3 Nor	37,133-40	1,391-40	38,525-20			46,096-10	46,096-10
Dp. No. 3 Nor	7,332-20		7,332-20				
Tgh. No. 4	45,149-10		45,149-10		24,033-20	59,354-50	83,388-10
Dp. No. 4	7,014-30		7,014-30				
Tgh. No. 5	25,741-20	1,095-10	26,836-30		1,133-20	13,662-20	14,795-40
Dp. No. 5	2,298-30		2,298-30				
Tgh. No. 6	2,872-40		2,872-40				
Dp. No. 6	492-00		492-00				
Tgh. Feed	974-30	1,051-50	2,026-20				
Tgh. Rej. No. 3 Nor. Sprtd	19,730-10		19,730-10		1,566-40		1,566-40
Dp. Rej. No. 3 Nor. Sprtd	5,706-50		5,706-50			8,271-40	8,271-40
Tgh. Rej. No. 4 Sprtd	11,089-20		11,089-20		1,351-50	2,785-00	4,136-50
Dp. Rej. No. 4 Sprtd	7,979-40		7,979-40				
Tgh. No. 3 Nor. Htg	1,542-20		1,542-20				
Tgh. No. 6 Htg	1,673-10		1,673-10				
Tgh. Feed Htg	1,009-00		1,009-00				
Tgh. Rej. No. 4 Htd. & Htg	2,410-30		2,410-30				
Tgh. Rej. No. 4 Mix. Fireburnt	1,056-30		1,056-30				
Dp. Rej. No. 4 Mix. Htd	290-00		290-00				
Rej. No. 1 Nor. Mix. Htd		1,097-40	1,097-10				
Rej. No. 3 Nor. Mix. Htd	1,260-10		1,260-10				
No. 4 Durum	856-50		856-50				
Total	638,181-50	25,855-00	664,036-50		127,785-10	535,589-30	663,374-40

Oats—							
No. 2 Feed	450-30		450-40				
Oats and Wild Oats					1,764-24		1,764-24
Tgh. No. 3 C.W.	2,103-18		2,103-18		6,000-00		6,000-00
Dp. No. 3 C.W.	2,262-12		2,262-12				
Tgh. No. 1 Feed	2,143 08		2,143-08				
Dp. No. 1 Feed	1,792-12		1,792-12				
Tgh. No. 2 Feed	1,957-02		1,957-02			1,794-04	1,794-04
Dp. No. 2 Feed	85 00		85 00			3,172-02	3,712-02
Dp. No. 2 Feed Htg	875-00		875-00				
Total	11,669 14		11,669 14		7,764-24	5,506-06	13,271-00
Flaxseed—							
No. 3 C.W.						130-01	130-01
Flax and Broken Wheat	242 35		242-35				
Total	242 35		242-35			130-01	130 01
Rye—							
N.G. Dp. Rej. Htd., Htg	181-00		181-00				
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Screenings						80,000	80,000
Scalpings					232,000	155,000	387,000

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades, at the Private Terminal Elevators "K" and "O", Operated by Messrs. N. M. Paterson & Co. Ltd., at Fort William, during the Crop Year 1921-22 (Sept. 1st, 1921 to Aug. 31st, 1922, inclusive)

Grades	Receipts from West	Transfer Receipts	Transfer Receipts by Vessels	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—								
No. 1 Hard	82,094 30		261,723 40	343,818 10				
No. 1 Northern	1,114,439 20		109,117-40	1,223,557 20	1,963,96 30	55,339-40	9,718-10	2,028,364-20
No. 2 Northern	955,210 10	1,099 20	166,326 00	1,122,635 30	807,368-20	71,900 00	11,040-00	890,308-20
Dried No. 2 Nor			1,349 30	1,349 30				
No. 3 Northern	1,752,856 50	1,028-10	1,379,033 30	3,132,918 30	3,691,664 40	338,733 20	14,944 00	4,045,342 00
Number 4	807,268 40	60,127 50	710,699 20	1,578,095 50	2,742,357-20	109,716 40	157,171 00	3,009,245 00
Number 5	239,598 20	120,630 40	313,842 20	674,071 20	149,563 40		229,873-20	379,437 00
Number 6	49,726 20	31,989 40	49,449 40	122,165 40			10,507-40	10,507-40
Feed	6,578-50	4,907-10	12,896-10	24,382-10				
Rej. No. 1 Nor	50,915 30	2,539 00	56,404 30	109,859 00	42,199 20	10,966-40		53,166-00
Rej. No. 2 Nor	34,106-30	2,570-50	86,279-30	122,956-50				
Rej. No. 3 Nor	38,461 20	7,689 00	125,224 40	171,375 50			834-50	834-50
Rej. No. 4	15,114 00	2,034 10	38,517 20	55,665-30		1,100 00		1,100-00
Rej. No. 2 Nor. Sprtd	1,112 00		559-50	1,671-50				
Rej. No. 3 Nor. Sprtd	339,650 50	34,971-50	324,852-10	699,474-50		2,566-40		2,566-40
Rej. No. 4 Sprtd	39,496 30	17,479 40	116,916 50	173,893 00				
Rej. No. 5 Sprtd	2,683-30	1,000-50	9,281-10	12,965-30				
Rej. No. 3 Nor. Mix. Gravel							983-20	983-20
Smutty No. 1 Nor	2,913-10		45,198-20	48,111-30				
Smutty No. 2 Nor	2,179-30	15,438 20	51,066 50	68,684 40				
Smutty No. 3 Nor	7,884 00	12,301 10	30,968 40	51,154 20	335,851-10	4,000-00		339,851-10
Smutty No. 4	994 40	9,035 50	20,289 50	30,320 20	192,672 00	6,589-00		199,261-00
Smutty No. 5	689-00	2,477-00	2,611-10	5,777-10				
Smutty No. 6	1,367 50		5,153 20	6,521 10				
N.G. Tgh. No. 1 Nor	1,036-40		9,836-40	10,873-20				
N.G. Tgh. No. 2 Nor	9,546 40	2,936-10	48,212 40	60,695 30				
N.G. Tgh. No. 3 Nor	64,842 50	31,838 00	374,126 30	470,807-20		5,966-40		5,966-40
N.G. Dp. No. 3 Nor	18,245-40		5,046-50	23,292-40				
N.G. Tgh. No. 4	73,266 10	66,052 40	296,140 20	435,459 10	106,327-10	25,733-20	13,540-00	145,600-30
N.G. Dp. No. 4	25,555 40		736 00	26,291-40				
N.G. Tgh. No. 5	24,782 30	44,830-50	23,189 00	92,802 20		6,600-00		6,600-00
N.G. Dp. No. 5	2,432-30		5,089-00	7,521-30				
N.G. Tgh. No. 6	4,311-20	9,330-50	6,384-00	20,026-10				
N.G. Dp. No. 6	2,950-20		4,071-40	7,021-30				
N.G. Tgh. Feed	955-20	7,195 10	50	8,151 20		1,100-00		1,100-00
N.G. Tgh. Rej. No. 3 Nor	9,831-20	2,283-20	10,552-30	22,667-10				

N.G. Tgh. Rej. No. 4	3,373-00	937-00	4,001-40	8,311-40				
N.G. Dp. Rej. 4 No	2,517-50		4,132-00	6,649-50				
N.G. Tgh. Rej. No. 3 Nor. Sprtd	128,889 30	29,264-40	79,778 00	237,932-10		5,800 00		5,800-00
N.G. Dp. Rej. No. 3 Nor. Sprtd	7,540-50		1,594-10	9,135-00				
N.G. Tgh. Rej. No. 4 Sprtd	25,614-00	3,805-30	35,773-20	65,192-50				
N.G. Dp. Rej. No. 4 Sprtd	2,869 20		336 00	3,205 20				
N.G. Tgh. Rej. No. 5 Sprtd		2,319-00	4,300-00	6,619 00				
N.G. Tgh. Rej. No. 2 Nor. Mix. Gravel	2,268 40		118 50	2,387 30				
N.G. Tgh. Rej. No. 3 Nor. Mix. Gravel	2,224 30		1,390 20	3,614 50				
N.G. Dp. Rej. No. 3 Nor. Mix. Gravel	1,233 10		2,345 10	3,578 20				
N.G. Tgh. Smutty No. 2 Nor	960-20	1,079-30	3,754-50	5,794-40				
N. G. Tgh. Smutty No. 3						13,233-20		13,233-20
N.G. Smutty Tgh. No. 4					75,958-20	36,951-20		112,909 40
N.G. Dp. Smutty No. 4						2,172-20		2,172-20
N.G. Tgh. Smutty No. 5						8,466-40		8,466-40
N.G. Tgh. Sm. Rej. No. 3 Nor. Sprtd			2,400-00	2,400-00		2,200-00		2,200-00
N.G. Tgh. Sm. Rej. No. 3 Nor. Mix. Htd	1,361 20			1,361 20		1,089 00		1,089-00
N.G. Tgh. Sm. Rej. No. 4 Mix. Htd						1,100-00		1,100-00
N.G. Tgh. Rej. No. 4 Mix. Htd						3,300 00		3,300-00
N.G. Tgh. Rej. No. 6 Mix. Htd	1,020-40		534-30	1,555-10				
N.G. Tgh. Rej. No. 3 Nor. Htg						1,009-00		1,009-00
N.G. Tgh. Rej. No. 5 Htg	1,628 40		3,265 20	4,894 00				
N.G. Dp. Cond. No. 1	261 30		1,634 50	1,897 30				
Rej. No. 1 Nor. Mix. Htd	4,286 00		2,166 40	6,452 40				
Rej. No. 2 Nor. Mix. Htd	1,096 40		1,813-50	2,910 30				
Rej. No. 3 Nor. Mix. Htd	709 50	918-20	1,774-20	3,402-30				
Rej. No. 4 Mix. Htd			389-10	389-10		1,566-40		1,566-40
Rej. No. 5 Mix. Htd			432 00	432 00				
Wheat and Ragweed	1,354-10		4,013-50	5,368-00				
Sample						43,866 40		43,866 40
No. 1 Durum	1,396 00			1,396 00				
No. 2 Durum	7,089 20			7,089 20	31,033 00		984 40	32,017 40
No. 3 Durum	26,159-30		2,079-10	28,238-40				
No. 4 Durum	5,570 00		578 50	6,148 50				
Red Durum	2,308-10		3,573-50	5,882-00				
Sring and Durum	13,778 30		1,927-50	15,706 20		3,766 40	2,507-00	6,273 40
Rej. No. 1 Durum	1,674 50			1,674 50				
Rej. No. 2 Durum	1,905-50		5,084-00	6,989-50				
Rej. No. 3 Durum	328 50		2,577 10	2,906-00				
Rej. Spring and Durum	1,074 10		1,000 30	2,074 40				
Rej. No. 3 Durum Sprtd	2,487 20			2,487 20				
Rej. Durum and Ergot	1,511 50		2,195 10	3,707 00				
N.G. Tgh. No. 4 Durum	830-30		974-00	1,804-30				
N.G. Tgh. Spring and Durum	1,041 30			1,041 30				
Total	6,039,464 50	530,112-00	4,868,087-50	11,437,664 40	10,138,301 30	764,833 40	452,104-00	11,355,239-10

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevators "K" and "O", Operated by Messrs. N. M. Paterson & Co. Ltd. at Fort William, during the Crop Year 1921-22 (Sept. 1st, 1921 to Aug. 31st, 1922, inclusive)—*Continued*

Grades	Receipts from West	Transfer Receipts	Transfer Receipts by Vessels	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Oats—								
No. 1 C.W.	1,662 12			1,662 12				
No. 2 C.W.	122,008 08	7,762 12	22,936 26	152,707 12		52,152-32	116,025-00	168,177-32
No. 3 C.W.	189,750 00	1,997 32		191,747-32		125,011-26	125,232-32	250,244 24
Ex. No. 1 Feed	26,437 22			26,437 22		6,088-08	14,215-00	20,303-08
No. 1 Feed	83,745 02	5,828 28	40,826 05	130,400 01		99,433 18	30,041-16	129,475 00
No. 2 Feed	73,171 26	23,633 08	445,326 27	542,131 25	882,229 32	249,303 08	46,337-02	1,177,870-08
Rejected	2,480 00		16,420 28	18,900 28		3,764 24		3,764-24
N.G. Tgh. No. 2 C.W.	25,609 04	18,242 32	2,348 28	46,200 30		2,225 10		2,225-10
N.G. Tgh. No. 3 C.W.	191,633 26	79,696 16	93,407 00	364,737-02		11,823-18	23,913-28	35,737-12
N.G. Tgh. Ex. No. 1 Feed	4,115 20		3,873 14	7,989 06			1,911-26	1,911-26
N.G. Tgh. No. 1 Feed	118,349 22	19,147 32	72,332 24	209,830 10		8,029 14	13,588-08	21,617-22
N.G. Tgh. No. 2 Feed	91,822 12	38,927 02	137,232 01	267,981 15				
N.G. Tgh. Rejected	12,193-08	5,587 22		17,780 30			5,914-24	5,914-24
N.G. Tgh. Rej. Mxd. Htd	2,446 16			2,446 16				
N.G. Tgh. Oats and Wild Oats	4,772 22			4,772-22				
Rej. Mix. Htd			537 22	537-22				
Oats and Wild Oats	332-32			332-32	229,619-04			229,619-04
Oats and Ragweed	2,066 06			2,066 06				
Condemned		3,635 00		3,635 00				
Sample		3,737-32		3,737-32				
Total	952,596 28	208,197 12	835,242 03	1,996,036 09	1,111,849-02	557,832 22	377,180-00	2,046,861-24
Barley—								
No. 3 C.W.	224,644-03	2,744-28		227,388-31	35,212 14	52,906-12	215,961 40	304,080-18
No. 4 C.W.	78,626-44		2,753-00	81,379 44	6,557-04	26,604-08	104,151-22	137,312-34
Feed	15,530-20	13,273 46	10,581-02	39,485 20	47,139-38	48,390-40	38,641-42	134,172-24
Rejected	41,467-24	11,610 40	11,086-32	64,165 00		11,083-36	37,368-06	48,451-42
N.G. Tgh. No. 3 C.W.	57,685-11	6,117 04	6,394 04	70,196 19				
N.G. Tgh. No. 4 C.W.	38,431 08	9,152-24		47,583 32			1,750-00	1,750-00
N.G. Tgh. Feed	11,399-38			11,399-38				
N.G. Tgh. Rejected	13,223 26			13,223 26		4,125-00		4,125-00
N.G. Tgh. No. 3 C.W. Htg	1,009-08			1,009-08				
Rej. Mxd. Htd	2,722 24	3,585 40		6,308-16		1,375-00		1,375-00
Barley and Wild Oats	2,252-14			2,252 14				
Sample		2,490 40		2,490-40				
Total	486,992-28	48,975 30	30,914-38	566,883 00	88,909-08	144,485-00	397,873-14	631,267-22

Flaxseed—								
No. 1 N.W.C	224 01			224-01			72-27	72-27
No. 2 C.W	543-46			543-46			825-13	825-13
No. 3 C.W	116-19			116-19			437-31	437-31
N.G. Tgh. No. 1 N.W.C	45-44			45-44				
N.G. Tgh. No. 3 C.W	21-24			21-24				
N.G. Tgh. No. 2 C.W. Htg	3 02			3-02				
Rej. No. 3 C.W. Mix. Htd	53-16			53-16				
Flax and Broken Wheat	485-34			485-34				
Total	1,493-18			1,493-18			1,335-15	1,335-15
Rye—								
No. 2 C.W	6,764-24			6,764-25			6,845-30	6,845-30
N.G. Tgh. No. 2 C.W	30-40			30-40				
N.G. Tgh. Rej	364-28			364-28				
Rej. Mix. Htd							266-49	266-49
Total	7,159-37			7,159-37			7,112-23	7,112-23
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—								
No. 1			3,410	3,410				
No. 2			10,515	10,515				
No. 3	205,380	52,870	3,178	261,428				
Rej. No. 1		80,040		80,040				
N.G. Tgh. No. 4	76,380			76,380				
Wheat, Oats and Barley	85,180			85,180				
Wheat, Oats, Bly. and W. Oats	86,870			86,870				
Oats, Wild Oats and Barley	68,290			68,290				
Barley and Oats	59,480			59,480				
Wheat and Ragweed			63,970	63,970				
Barley and Rye			11,770	11,770				
Barley and Wild Oats			31,130	31,130				
Sample		70,960		70,960				
Total	581,580	203,870	123,973	909,423				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by the Western Terminal Elevator Company Limited at Fort William, during the Crop Year 1921–1922 (September 1, 1921 to August 31, 1922, inclusive)

Grades	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Hard	261,169 30		261,169 30				
No. 1 Northern	5,044,992 30	1,003–40	5,045,996 10	5,437,816 10	126,920 00		6,564,736 10
No. 2 Northern	2,337,112–40		2,337,112–40	1,085,518 10	99,000 00		1,184,518 10
Dried No. 2 Northern	1,019 10		1,019 10				
No. 3 Northern	2,890,782–00		2,890,782–00	3,345,584 40	195,933–20	237,100–00	3,778,618–00
No. 4	859,364 30	2,200–00	861,564 30	1,019,787 40			1,019,787 40
No. 5	291,400 20		291,400 20	78,973 30			78,973–30
No. 6	101,660 00		101,660 00	33,000 00			33,000–00
Feed	17,434 30		17,434 30				
Rejected No. 1 Nor	56,375–00		56,375–00		1,063–50		1,063–50
Rej. No. 2 Nor	20,252–50		20,252–50	93,588–40			93,588–40
Rej. No. 3 Nor	42,359 40		42,359 40	80,574 30	19,500–00		100,074–30
Rej. No. 4	8,066 20		8,066 20				
Rej. No. 5	1,269 10		1,269 10				
Rej. No. 3 Nor. Sptd	780,820 10	1,000 30	781,820 10	344,774 40	15,000–00		359,774–40
Rej. No. 4 Sptd	159,699–00	1,371–50	161,070–50				
Rej. No. 5 Sptd	13,973 50		13,973 50				
Rej. No. 1 Nor. Mix. Gravel	13 50		13 50				
Rej. No. 1 Nor. Mix. Fireburnt	467 30		467 30				
Smutty No. 1 Nor	1,262–10		1,262 10				
Smutty No. 2 Nor	3,857–30		3,857 30				
Smutty No. 3 Nor	2,038–10		2,038–10				
N.G. Tgh. No. 1 Nor	4,553 10		4,553 10				
N.G. Tgh. No. 2 Nor	28,393–20		28,393–20				
N.G. Tgh. No. 3 Nor	195,892 20	1,136–40	197,029 00		1,500–00		1,500–00
N.G. Tgh. No. 4	100,701–40		100,701 40				
N.G. Tgh. No. 5	24,625 50		24,625–50				
N.G. Tgh. No. 6	12,063 50		12,063 50				
N.G. Tgh. Feed	1,788–00		1,788–00				
N.G. Tgh. Rej. No. 3 Nor	9,575–10		9,575–10				
N.G. Tgh. Rej. No. 4	1,446–10		1,446–10				
N.G. Tgh. Rej. No. 5	2,912–50		2,912–50				
N.G. Tgh. Rej. No. 3 Nor. Sptd	289,705–30	1,531–40	291,237–10	111,691–50		35,308–10	147,000–00
N.G. Tgh. Rej. No. 4 Sptd	105,663 10		105,663–10				
N.G. Tgh. Rej. No. 5 Sptd	6,021–30		6,021–30				
N.G. Tgh. Rej. No. 5 Sptd. Mix. Earth	1,041–40		1,041 40				
N.G. Tgh. Rej. No. 3 Nor. Mix. Htd	2,375–40		2,375–40				

N.G. Tgh. Rej. No. 4 Mix. Htd					995–40		995–40
N.G. Tgh. Rej. No. 3 Nor. Sptd. Htd. and Htg	1,544–10		1,544–10				
N.G. Tgh. Rej. 4 Sptd. Htd	968–50		968–50				
N.G. Tgh. Rej. No. 5 Mix. Htd. and Htg	1,136–50		1,136–50				
N.G. Tgh. Rej. No. 6 Htg	610–20		610 20				
Rej. No. 1 Nor. Htd	1,048 00		1,048 00				
Rej. No. 2 Nor. Htd	5,474–00		5,474–00				
Rej. No. 3 Nor. Mix. Htd	1,100–00		1,100–00				
Rej. No. 4 Htg	1,137–20		1,137–20				
Rej. No. 5 Mix. Htd	27–50		27–50				
Rej. No. 5 Htg	688–00		688–00				
Wheat and Ragweed	1,420–20	1,140–50	2,561–10			1,000 00	1,000–00
Sample	1,583–00		1,583–00				
No. 1 Durum	728 50		728 50				
No. 2 Durum	8,715 00		8,715 00				
No. 3 Durum	17,271–00		17,271–00	4,000–00			4,000–00
Rej. No. 1 Durum	2,018 20		2,018 20				
Rej. No. 2 Durum	1,464 20		1,464 20				
N.G. Tgh. No. 3 Durum	323 10		323 10				
N.G. Tgh. Rej. No. 3 Durum Sptd	416 50		416–50				
Spring Durum	12,937 10	3,995–50	16,933–09		2,448–20		2,448 20
Rej. Durum	1,256 10		1,256 10	1,256 10			1,256 10
Total	13,744,019–10	13,381 00	13,757,400–10	12,636,566–06	462,321 10	273,408 10	13,372,295 20
Oats—							
No. 2 C.W.	349,780–00		349,780–00	393,487–23	29,890–00	8,800–00	432,177–23
No. 3 C.W.	408,919–28		408,919–28	433,481–23	66,811–26	7,903–28	508,197–09
Extra No. 1 Feed	128,682 32		128,682 32	131,640–20			131,640–20
No. 1 Feed	187,425 00		187,425 00	158,886 00	29,411–26	9,022 24	197,320–22
No. 2 Feed	137,342 22		137,342 22	79,198 18	51,541–06	3,342 30	134,082 20
Rejected	1,908–18		1,908 18				
N.G. Tgh. No. 2 C.W.	23,423 28		23,423 28				
N.G. Tgh. Extra No. 1 Feed	1,842 22		1,842 22	10,000 00			10,000–00
N.G. Tgh. No. 1 Feed	58,227–18		58,227–18	15,000–00			15,000–00
N.G. Tgh. No. 2 Feed	36,538 28		36,538 28				
N.G. Tgh. Rej	2,058–18		2,058–18				
N.G. Tgh. No. 1 Feed Htg	1,689 24		1,689 24				
N.G. Tgh. Rej. Mix. Htd	1,275 30		1,275–30				
Rejected Mix. Htd	2,327–12		2,327–12				
N.G. Tgh. No. 3 C.W.	105,851–06		105,851–06		19,682–12		19,682–12
Total	1,447,294–14		1,447,294 14	1,221,694 22	197,337–02	29,069 14	1,448,101 04

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by the Western Terminal Elevator Company Limited at Fort William, during the Crop Year 1921 1922 (Sept. 1st, 1921 to August 31st, 1922 inclusive).

Grades	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Barley—							
No. 3 C.W.	95,249-06		95,249-06	113,987-13	4,900 00		118,887-13
No. 4 C.W.	70,582-34		70,582 34	78,500 34	18,250 00		96,750-34
Feed	10,405-00		10,405-00				
Rejected	16,613-46		16,613-46	21,777-38			21,777-38
N.G. Tgh. No. 3 CW	15,227-15		15,227-15				
N.G. Tgh. No. 4 C.W.	23,278-06		23,278-06	615-30			615-30
N.G. Tgh. Feed	4,201-22		4,201-22				
N.G. Tgh. Rej	3,287-44		3,287-44				
N.G. Tgh. Rej. No. 3 C.W.	1,377-44		1,377 44				
N.G. Tgh. No. 4 C.W. Htg	5,264 28		5,264-28				
N.G. Tgh. Feed Musty	940 30		940 30				
N.G. Tgh. Cond. Htd. Musty	533-16		533-16				
Total	246,962-03		246,962 03	214,881-19	23,150-00		238,031-19
Flaxseed—							
No. 1 N.W.C	173,690 46		173,690 46	365,025-05	9,029 16	24,544-26	398,598 47
No. 2 C.W.	8,095 54		38,095-54	45,227 07			45,227-07
No. 3 C.W.	7,427-49		7,427-49	2,647-07			2,647-07
Rejected	2,152 06		2,152 06	1,138 11			1,138-11
N.G. Tgh. No. 1 N.W.C	4,828-24		4,828-24				
N.G. Tgh. No. 2 C.W.	2,401-44		2,401-44				
Rej. No. 2 C.W. Htd	1,739-27		1,739-27				
Flax and Broken Wheat	1,254 11	4,619-49	5,874-34		1,175-00	2,477-42	3,652-42
Total	231,591-11	4,619-49	236,211-04	414,037-30	10,204-16	27,022-12	451,264-02
Rye—							
No. 1 C.W.	96,861-44		96,861-44	28,752-48			28,752-48
Nol 2 C.W.	217,377-33		217,377-33	213,611-46	9,565-40		223,177-30
Rejected	10,817-48		10,817-48	1,500-00			1,500-00
Rejected No. 2 C.W.	26,393 05		26,393 05	16,000-00			16,000-00
N.G. Tgh. No. 2 C.W.	10,398-02		10,398-02				
N.G. Tgh. Rej	4,424-46		4,424-46				
Total	366,273-10		366,273-10	259,864-38	9,565-40		269,430-22

	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—							
Number 1	14,860	72,400	87,260				
Number 2	95,540		95,540				
Number 3	183,450	257,680	441,130		124,510		124,510
Number 4	4,280		4,280				
N.G. Dp. No. 4	46,950		46,950				
Rej. No. 2 Mix. Htd	25,970		25,970				
Wheat & Rye	355,970	122,780	478,750	89,370	123,160		217,530
Wheat, Barley and Rye	68,740		68,740				
Wheat, Oats and Rye	91,910		91,910		68,740		68,740
Wheat, Oats and Barley					61,860		61,860
N.G. Tgh. Rye and Wheat	26,190		26,190				
Others	88,880		88,880			43,630	43,630
Sample		186,880	186,880				
Total	1,002,740	639,740	1,642,480	89,370	383,270	43,630	516,270
Elevator Screenings	48,850		48,850	6,797,110	4,072,240	783,500	11,652,850
Standard re-cleaned screenings				276,000	190,000		466,000
Scalpings	70,350		70,350		304,410	270,000	574,410

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by Messrs. Davidson & Smith at Port Arthur, during the Crop Year 1921-22 (September 1st 1921 to August 1st, 1922, inclusive)

Grade	Receipts from West	Transfer Receipts	Transfer by Vessels	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—								
No. 1 Hard	18,266-20	1,404-30	116,379-20	136,050 30				
No. 1 Northern	562,855 20		338,541-40	901,397-00	1,327,066-50			1,327,066-50
No. 2 Northern	436,548-00	92,447-30	450,646-40	979,642-10	3,315,933 50	93,610-00		3,409,543-50
No. 3 Northern	739,039-00	110,263-40	3,085,374 50	3,934,677-30	3,687,013-30	34,729-40	27,183-30	3,748,926-40
Number 4	174,818-00	208,416-10	1,072,551-00	1,455,785 10	1,319,770-10	1,000-00		1,320,770-10
Number 5	37,423 10	19,224-20	887,002-10	943,649-40	129,944-00		1,100-00	131,044-00
Number 6	13,373-00		198,899 20	212,272-20				
Feed			44,187-20	44,187-20				
Dried No. 1 Nor			1,526 20	1,526 20				
Dried No. 2 Nor			2,840 50	2,840-50				
Dried No. 3 Nor			25,000 00	25,000 00				
Rej. No. 1 Nor			5,893-50	5,893 50				
Rej. No. 2 Nor	1,492-20		15,871-10	17,363-30				
Rej. No. 3 Nor	6,858-30		26,543-20	33,401-50				
Rej. No. 4	1,360 50		10,877 10	12,238 00				
Rej. No. 5			2,476-50	2,476-50				
Rej. No. 3 Nor. Sprtd	145,584-00		146,551-20	292,135 20				
Rej. No. 4 Sprtd	18,117-40		137,461-30	155,579-10				
Rej. No. 5 Sprtd	1,434-00		1,190-20	2,624-20				
Rej. No. 1 Nor. Mix. Gravel	354-10			354-10				
Smutty No. 1 Northern			2,920-50	2,920 50				
Smutty No. 2 Northern	4,590-40		6,125-20	10,716-00				
Smutty No. 3 Northern	2,622 20		5,649 00	8,271-20				
Smutty No. 4			2,163-10	2,163-10				
Smutty No. 6			152-40	152-40				
N.G. Tgh. No. 1 Nor			1,410 00	1,410-00				
N.G. Tgh. No. 2 Nor	5,063-10		10,182-40	15,245-50				
N.G. Tgh. No. 3 Nor	32,551-10	26,387-30	124,227-10	183,165 50	32,000-00			32,000-00
N.G. Tgh. No. 4	21,209-30	37,670-10	195,422-10	254,301 50	68,000-00		9,295-40	77,295-40
N.N. Tgh. No. 5	4,572-30		14,275-10	18,847-40				
N.G. Tgh. No. 6	2,180-10	16,997-30	6,532-40	25,710-20				
N.G. Tgh. Feed	3,491-20	5,325-30	7,660-30	16,417-20				
N.G. Tgh. Rej. No. 3 Nor	7,132-00		2,018-10	9,150 00				
N.G. Tgh. Rej. 4			2,069 30	2,069 30				
N.G. Tgh. Rej. No. 3 Nor. Sprtd	36,872-50		88,166-40	125,039-30				
N.G. Tgh. Rej. No. 3 Nor. Rej. Sprtd			1,189-40	1,189-10				
N.G. Tgh. Rej. No. 4 Sprtd	12,096-10		34,844-30	46,940-40				
N.G. Tgh. Rej. No. 4 Rej. Sprtd			2,283-20	2,283-20				

N.G. Tgh. Rej. No. 5 Sprtd			1,232-50	1,232-50				
N.G. Tgh. Smutty No. 2 Nor			1,082-10	1,082-10				
N.G. Tgh. Smutty No. 3 Nor			672-40	672-40				
N.G. Tgh. Smutty No. 4	1,348-40			1,348-40				
N.G. Tgh. Smutty No. 5			1,213-40	1,213-40				
N.G. Tgh. Ref. No. 3 Nor. Mix. Htd			304-30	304-30				
N.G. Tgh. Rej. No. 6 Mix. Htd			290-50	290-50				
No. 1 A.R.W			1,361 40	1,361-40				
No. 2 A.R.W			11,688-00	11,688 00				
No. 3 Durum	2,753-10		1,360-30	4,113-40				
N.G. Tgh. No. 3 Durum			1,507-50	1,507-50				
Spring and Durum		1,310-00	463-00	1,773-00				
Wheat and Ragweed	1,713 40			1,713-40				
Sample		Ex. W. D. Matthews	65,208-10)	65,208-10				
Total	2,295,721-40	519,447-10	7,163,433-30	9,978,602-20	9,879,728-20	129,339-40	37,579-10	10,046,647-10
Oats—								
No. 2 C.W	746,606 26	8,163-08	2,467 22	757,237-22	1,024,703-14	28,940-06		1,053,644-19
No. 3 C.W	475,221 16		1,886 06	477,107-22	506,479-17	9,411-26		515,891-09
Ex. No. 1 Feed	100,654 04			100,654-04				
No. 1 Feed	75,769-04	12,369-24	8,686-28	96,825-22	10,584-14		5,080-10	15,664-24
No. 2 Feed	53,316 26	13,565 30	119,352-00	186,234-22	221,192-22	70,140-20	6,405-10	297,738-18
Rejected	10,930 10		335 30	11,265 40				
N.G. Tgh. No. 2 C.W	22,957 32		4,921 19	27,879-17				
N.G. T.g.h. No. 3 C.W	89,071 04		14,038 28	103,109-32				
N.G. Tgh. No. 1 Feed	32,314-04		8,251-26	40,565-30				
N.G. Tgh. No. 2 Feed	28,514 04		4,975-20	33,489-24			8,245-10	8,245-10
N.G. Tgh. Rejected	3,780-10			3,780-10				
Oats and Wild Oats	2,092 22			2,092-22				
Total	1,641,228-26	34,098-28	164,916-09	1,840,243-29	1,762,960-32	108,492-18	19,730 30	1,891,184-12
Barley—								
No. 3 C.W	16,003-06	4,861-12		20,864-18	28,632-40			28,632-40
No. 4 C.W	1,577-34	1,656-42	35,914-43	39,249-14	70,983-26			70,983-26
Feed			3,383 06	3,383 06				
Rejected		1,631-32	1,492-04	3,123-36	1,400-00			1,400-00
N.G. Tgh. No. 3 C.W	2,238 43		1,240 00	3,478 43				
N.G. Tgh. No. 4 C.W			26,359-16	26,359 16				
N.G. Tgh. Feed	1,269 36			1,269-38				
Total	21,169-25	8,149-38	68,389-12	97,728-27	101,016-18			101,016-18
Flaxseed—								
Flax and Broken Wheat	30-38			30-38				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator, operated by Messrs. Davidson & Smith at Port Arthur, during the Crop Year 1921-22 (Sept. 1, 1921 to Aug. 1, 1922, inc.)—*Concluded.*

Grades	Receipts from West	Transfer Receipts	Transfer by Vessels	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—								
No. 1	68,580	.....	.....	68,580	.....	.....	.....	.....
Screenings	.....	257,610	.....	257,610	1,400,000	426,000	5,200,000	7,026,000
Standard Re-Cleaned Screenings	.....	.....	.....	.....	.....	60,000	.....	60,000
Scalpings	714,790	192,590	.....	907,380	.....	.....	.....	.....

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator "H", operated by the United Grain Growers' Limited at Port Arthur, during the Crop Year 1921–1922 (September 1, 1921 to August 31, 1922 inclusive)

Grade	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Hard	118,888 50		118,888-50				
No. 1 Northern	1,932,347-30	35,240 30	1,967,588 00	2,611,273-50	91,466 40	1,100-00	2,703,840-30
No. 2 Northern	1,500,862 30	25,989-40	1,526,852 10	1,362,549-40	132,800 00		1,495,349-40
No. 3 Northern	2,227,774 10	11,197-10	2,238,971 20	2,368,576-20	276,993-40		2,645,570-00
No. 4	1,160,338-30		1,160,338 30	493,651-00	169,166-40		662,817-40
No. 5	243,456 20	9,999-10	253,455 30	42,633-30	2,462-00		45,095-30
No. 6	46,917-50		46,917-50		3,582-10	1,375-00	4,957-10
Feed	7,444-50		7,444 50				
Rej. No. 2 Nor	11,757-50		11,757-50				
Rej. No. 3 Nor	14,293-00		14,293-00				
Rej. No. 4	5,856-10		5,856-10				
Rej. No. 3 Nor. Sptd	7,957 30		7,957-30				
Rej. No. 4 Sptd	1,874-30		1,874-30				
Smutty No. 2 Nor	1,506-30		1,506-30				
N.G. Tgh. No. 1 Nor	2,333-40		2,333 40				
N.G. Tgh. No. 2 Nor	12,596-40		12,596-40				
N.G. Tgh. No. 3 Nor	64,660 40		64,660 40				
N.G. Tgh. No. 4	61,709 20		61,709-20				
N.G. Tgh. No. 5	12,488-50		12,488 50				
N.G. Tgh. No. 6	6,578 20		6,578-20				
N.G. Tgh. Rej. No. 2 Nor	577-30		577 30				
N.G. Tgh. Rej. No. 3 Nor	1,261-10		1,261 10				
N.G. Tgh. Rej. No. 3 Nor. Sptd	2,824-00		2,824-00				
N.G. Tgh. Rej. No. 4 Sptd	986 50		986-50				
Total	7,447,293-00	82,426 30	7,529,719-30	6,878,684 20	676,471 10	2,475-00	7,557,630 30
Oats—							
No. 3 C.W	130 30		030 30				
Extra No. 1 Feed	207-22		207-22				
No. 1 Feed	1,285-00		1,285-00				
No. 2 Feed	8,467-02		8,467-02				
N.G. Tgh. No. 2 Feed	237-02		237-02				
Total	10,327-22		10,327-22				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator "H", operated by the United Grain Growers' Limited at Port Arthur, during the Crop Year 1921-1922 (September 1, 1921 to August 31, 1922 inclusive)—*Concluded*

Grade	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—							
No. 2	26,380		26,380		26,380		26,380
No. 3	57,960		57,960				
Wheat, Rye and Barley	25,850		25,850				
Total	110,190		110,190		26,380		26,380
Elevator Screenings				2,632,800	3,164,380	390,410	6,187,590
Standard Recleaned Screenings				300,000	260,000	60,000	620,000
Scalpings				183,600	1,142,400	1,131,360	2,457,360

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by the Gillespie Terminal Grain Company Limited as Gillespie Annex at Port Arthur during the Crop Year 1921 1922 (September 1, 1921 to August 31, 1922 inclusive)

Grades	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Northern	9,051-40		9,051-40	10,794 20			10,794 20
No. 2 Northern	68,004 50		68,004 50	84,628 20			84,628-20
No. 3 Northern	141,025-40	1,392-50	142,418-30	209,880-20			209,880-20
No. 4	47,771 50		47,771-50			4,130-30	4,130-30
No. 5	7,467-10		7,467-10				
Rej. No. 3 Nor. Sptd	20,516 50		20,516-50				
N.G. Tgh. No. 3 Nor	3,541 20		3,541-20				
N.G. Tgh. No. 4	1,006 30		1,006-30				
N.G. Tgh. No. Nor. Sptd	7,932-10		7,932-10				
N.G. Tgh. Rej. No. 4 Sptd	2,630 50		2,630-50				
N.G. Dp. Smutty No. 3 Nor	1,016-10		1,016-10			1,016-10	1,016-10
Total	309,965 00	1,392 50	311,357-50	305,303 00		5,146 40	310,449 40
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Elevator Screenings						412,680	412,680

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by the National Elev. Co. Ltd., at Port Arthur, during the Crop Year 1921-1922 (September 1, 1921 to August 31, 1922, inclusive)

Grades	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipment	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Hard	26,517-20		26,517-20				
No. 1 Northern	30,989-50		30,989-50		1,066-40	116,275-40	1,173,342 20
No. 2 Northern	73,100-00		73,100-00			13,934-50	13,934 50
Dried No. 2 Nor						974-10	974-10
No. 3 Northern	279,230 30	8,448-40	287,679-10		7,366-40	718,930 50	726,297 30
Dried No. 3 Nor						1,187-50	1,187-50
No. 4	301,231-40	28,035-50	329,267-30		1,100 00	598,555-00	599,655-00
No. 5	174,487-40	57,076-30	231,564-10		17,666-40	208,268-10	225,934-50
No. 6	57,076-20	55,155-00	112,231-20		1,000-00	62,878-30	63,878-30
Feed	28,142-50	10,089-40	38,232 30			21,394-50	21,394-50
Rej. No. 1 Nor	13,938-10		13,938 10				
Rej. No. 2 Nor	15,061-30	5,945-20	20,006 50				
Rej. No. 3 Nor	19,513 10	10,954-20	30,467 30				
Rej. No. 4	7,009-40	14,932 00	21,941-40				
Rej. No. 5	2,445-00	4,358-50	6,803-50				
Rej. No. 3 Nor. Sprtd	42,055-30	5,603 50	47,659-20				
Rej. No. 4 Sprtd	15,205-20	25,008-50	40,214-10				
Rej. No. 5 Sprtd	2,687-30	3,823-50	6,511-20				
Rej. No. 4 Rej. Sprtd	1,074-10	997-00	2,071 10				
Rej. No. 1 Nor. Mix. Gravel		4,566 10	4,566-10				
Rej. No. 2 Nor. Mix. Gravel		576 20	576 20				
Rej. No. 3 Nor. Mix. Gravel		3,127-40	3,127-40				
Rej. No. 5 Mix. Gravel	614-20		614-20				
Rej. No. 1 Nor. Mxd. Fireburnt	388 20		388-20				
Rej. No. 4 Mxd. Fireburnt		301-10	301-10				
Rej. No. 1 Nor. Mix. Coal and Gravel						4,476-00	4,476-00
Smutty No. 1 Nor	3,969-50	1,048-30	5,018-20				
Smutty No. 2 Nor	13,185-50	16,148 40	29,334-30			4,489-10	4,489-10
Smutty No. 3 Nor	14,959-00	10,426-10	25,385-10			2,065-50	2,065-50
Smutty No. 4	5,122 50	9,071-50	14,194-40				
Smutty No. 5	763-20	10,960 40	11,724-00				
Smutty No. 6	266-20	1,037-20	1,303-40				
Smutty Rej. No. 1 Nor	578-10	941-00	1,519-10				
Smutty Rej. No. 3 Nor	3,064-10	921-00	3,985-10				
Sm. Rej. No. 4 Rej. Mix. Firebt. Htd		1,366-10	1,366-10		2,200-00		2,200-00
Tgh. No. 1 Nor	2,612-20	3,808-00	6,420-20				
Tgh. No. 2 Nor	5,724-50	4,005-00	9,729-50			3,298-30	3,298-30
Tgh. No. 3 Nor	135,750 50	5,590-10	141,341-00			209,842-40	209,842-40
Tgh. No. 4	161,316-40	14,648-50	175,965-30			46,020-30	46,020-30

Tgh. No. 5	63,917-10	26,028-50	89,946-00			4,471-00	4,471-00
Tgh. No. 6	22,437-10	8,045-40	30,482-50				
Tgh. Feed	4,649-00	4,418-30	9,067-30			1,443-00	1,443-00
Tgh. Rej. No. 3 Nor	10,657-40	5,614-40	16,272-20				
Tgh. Rej. No. 4	4,018 40	2,570-00	6,588-40				
Tgh. Rej. No. 5	1,900-30	1,944-30	3,845-00				
Tgh. Rej. No. 3 Nor. Sprtd	44,927-10	19,549 00	64,476-10			995-30	995-30
Tgh. Rej. No. 4 Sprtd	24,143 00	9,284 50	33,427-50				
Tgh. Rej. No. 5 Sprtd	2,577 00		2,577-00				
Dp. No. 4 Htg	519-20		519-20				
Tgh. Rej. No. 3 Nor. Htd	882-40	620 30	1,503-10				
Tgh. Rej. No. 3 Nor. Mix. Cinders	303 00	3,016 20	3,319-20				
Dp. Rej. No. 3 Nor. Rej. Sprtd	1,267-10		1,267-00				
Tgh. Rej. No. 4 Mix. Htd	2,100-00		2,100-00				
Dp. Rej. No. 4 Sprtd. Htg	1,393-40	971-10	2,364-50				
Tgh. Rej. No. 5 Htd	1,293-20		1,293-20				
Tgh. Smutty No. 2 Nor	1,780-40		1,780-40				
Tgh. Smutty No. 3 Nor	1,002 30	2,344 00	3,346-30				
Tgh. Smutty No. 4	5,566 00	2,202 30	7,768 30				
Tgh. Smutty No. 5	265-40	2,158-10	2,423-50				
Cond. No. 1 Hd	502-10		502-10				
Cond. No. 1 Rej. Mix. Gravel	145-40		145-40				
Cond. No. 2 Rej. Mix. Gravel	87-50		87-50				
Spring and Durum	2,585 20		2,585 20				
Rej. Spring and Durum	977-20		977-20				
Damp Rej. No. 3 Durum Sprtd	1,124 30		1,124-30				
Tgh. Rej. No. 4 Durum	582 50		582-50				
Wheat and Ragweed		362-10	362-10				
Sample		6,058 40	6,058-40				
Whea t and Wd Oats		960 10	960-10				
Rej. Spring and Dur. Mix. Sand and Gravel		362 10	362 10				
Rej. No. 1 Nor. Mix. Htd		4,512-50	4,512-50			2,997-20	2,997-20
Rej. No. 3 Nor. Mix. Htd		1,090 40	1,090-40				
Total	1,639,690-00	421,089-40	2,060,779-40		30,430-00	2,022,499-20	2,052,929-20
Oats—							
No. 1 C.W	3,766 26		3,766-26		3,841-06	24,794-14	28,635-20
No. 2 C.W	141,932-32	27,892-22	169,825-20		29,823-18	11,080-10	40,903-28
No. 3 C.W	218,911-16	35,481 04	254,392-20		17,470-20		17,470-20
Ex. No. 1 Feed	77,742 12		77,742 12		15,320 20	201,791-06	217,111-26
No. 1 Feed	159,920 10		159,920 10		97,645 30	147,926-26	245,572 22
No. 2 Feed	121,895-00	6,769-24	128,664-24		162,843-18		162,843-18
Rejected	8,616-06		8,616-06				
N.G. Tgh. No. 2 C.W	79,201-06	1,794-04	80,995-10		15,507-22	7,646-16	23,154-04
N.G. Tgh. No. 3 C.W	455,384 04	9,833 28	465,217-32		79,226-26	5,240-10	84,467-02
B.G. Tgh. Ex. No. 1 Feed	3,946 26		3,946-26				
N.G. Tgh. No. 1 Feed	285,523-08	3,602-32	289,126-06		43,342-02	3,441-06	46,783-08
N.G. Tgh. No. 2 Feed	121,053-18	1,837-32	122,891-16		82,899-14	28,549-04	111,448-18
N.G. Tgh. Rejected	2,074-24		2,074-24				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by the National Elev. Co., Ltd., at Port Arthur during the Crop Year 1921–22 (Sept. 1st, 1921 to August 31st, 1922 inclusive).

Grades	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Oats—Con.							
N.G. Tgh. No. 3 C.W. Htg	1,955 30		1,955-30				
N.G. Tgh. Rej. Mix. Htd	8,333-28		8,333-28				
N.G. Tgh. Rej. Mix. Coal and Gravel	377 32		377-32				
N.G. Dp. Cond. Htd	1,362 02		1,362 02				
N.G. Tgh. Oats and Wild Oats	1,302-32		1,302 32				
N.G. Dp. Rej. Mix. Cinders	116-26		116-26				
Rej. Mix. Htd	4,207-12		4,207-12				
Condemned Heated	2,381 26	1,601 26	3,983 18				
Oats and Wild Oats	231-06		231-06		3,800 00		3,800-00
Sample		1,777-32	1,777-32				
Rej. Mix. Coal and Gravel	156-26		156-26				
Total	1,700,395-00	90,592 00	1,790,987-00		551,721-06	430,469-24	982,190-30
Barley—							
Ex. No. 3 CW	1,652 04		1,652-04				
No. 3 C.W	90,026-44		90,066 44		6,075-00	185,620 20	191,695-20
No. 4 C.W	80,087-12		80,087 12		16,211-34	128,474-16	144,686-02
Feed	14,255-30		14,255-30				
Rejected	25,175 20	545-10	25,720 30		2,625-00	50,568-16	53,193-16
N.G. Tgh. No. 3 C.W	94,170-18	2,070-30	96,241 00			12,837 34	12,837-34
N.G. Tgh. No. 4 C.W	44,912 34	8,962-24	53,875-10		4,125 00	5,341-32	9,466-32
N.G. Tgh. Feed	8,126 42	1,302-34	9,429 28				
N.G. Tgh. Rej	26,494-08		26,494-08		1,725 40		1,725-40
N.G. Tgh. No. 3 C.W. Htg	1,989 28		1,989-28				
N.G. Tgh. No. 4 C.W. Htg	1,629-38		1,629-38				
N.G. Dp. Rej. Mix. Htd	93-16		93-16				
N.G. Tgh. No. 4 C.W. Musty		1,627-34	1,627-34				
Rej. Mix. Htd		1,088-36	1,088-36				
Rej. Mix. Gravel and Cinders	293-46		293-46				
Smutty No. 3 C.W		1,596-22	1,596 22				
Barley and Wild Oats	5,109-18		55,109-18				
Total	394,017-22	17,193-46	411,211-20		30,762-26	382,842-22	413,605-00

Flaxseed—							
No. 1 N.W.C.	494-53		494-53			504-54	504-54
No. 2 C.W.	264-39		264-39			233-54	233-54
No. 3 C.W.	29-21		29-21				
N.G. Tgh. Rej. No. 2 C.W. Htg.	63-44		63-44			63-32	63-32
Flax and Broken Wheat						29-21	29-21
Total	852-45		852-45			831-49	831-49
Rye—							
No. 2 C.W.	8,314-34		8,314-34			26,957-18	26,957-18
Rejected	4,496-44		4,496-44			2,108-52	2,108-52
Rej. No. 2 C.W.	7,519 06		7,519 06			12,327-18	12,327-18
N.G. Tgh. No. 2 C.W.	9,591 14		9,591 14				
N.G. Tgh. No. 3 C.W.	1,791-06		1,791-06				
N.G. Tgh. Rejected	6,719-06		6,719 06				
N.G. Tgh. Rej. No. 2 C.W.	2,666 44		2,666 44				
Total	41,098-42		41,098-42			41,393-32	41,393-32
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—							
No. 1	172,810	73,290	246,100				
No. 2	324,880	54,710	379,590				
No. 3	417,060	73,390	490,450				
No. 4	215,370		215,370				
N.G. Tgh. No. 1	27,430		27,430				
N.G. Tgh. No. 2	183,890		183,890				
N.G. Tgh. No. 3	75,350		75,350				
N.G. Tgh. No. 4	537,500		537,500				
N.G. Tgh. Smutty No. 1	10,860		10,860				
N.G. Tgh. No. 2 Htg.	81,070		81,070				
N.G. Tgh. No. 3 Mix. Htd.	63,290		63,290				
Wheat and Rye	250,990	326,080	577,070	577,070			
Wheat and Oats	40,700		40,700				
Barley and Oats	65,000		65,000				
Oats and Rye	45,020		45,020				
Rye, Wheat and Oats		63,020	63,020				
Rye and Barley		61,170	61,170				
N.G. Tgh. Rye and Wheat	39,670		39,670				
N.G. Dp. Rye, Wheat, Barley and Oats	32,250		32,250				
N.G. Dp. Rye and Oats, Htg.	13,620		13,620				
Sample		145,020	145,020				
Cond. Barley, Wheat, Oats and Corn					66,000		66,000
Total	2,596,760	796,680	3,393,440		66,000		66,000
Screenings	114,780	1,161,420	1,276,200		367,480	501,100	868,580
Scalpings	660,830	2,669,000	3,329,830		60,110	1,812,550	1,872,660

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT— Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator "A" operated by the National Elevator Company Limited at Port Arthur, during the Crop Year 1921–1922 (Sept. 1st, 1921 to Aug. 31st, 1922, inclusive)

Grades	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Hard	5,320-40		5,320-40				
No. 1 Northern	153,123-20	.....	153,123-20	187,753-50	.....	58,789-30	246,543-20
No. 2 Northern	829,736-40		829,736-40	736,049-00	70,000-00	97,067-40	903,116-40
No. 3 Northern	2,907,066-10		2,907,066 10	3,101,826 30	290,602 30	863,602-30	4,256,031-30
Dried No. 2 Northern		974-50	974-50				
Dried No. 3 Northern		1,187-20	1,187-20				
Number 4	916,470-20	1,098 50	917,569-10	113,890-20	81,433 20	390,581-00	615,904-40
Number 5	231,680-00	25,348-50	257,028 50			113,817-40	113,817-40
Number 6	41,330 20	8,097-40	49,428-00		1,100-00	4,042-20	5,142-20
Feed	10,036-00		10,036-00			39,364-10	39,364-10
Rej. No. 1 Northern	12,900-00	7,571-40	20,471-40				
Rej. No. 2 Northern	21,157 10	12,838-20	23,995 30				
Rej. No. 3 Northern	31,993-30	35,890-40	67,884-10	.....	.....	.....	.....
Rej. No. 4	9,943-20	1,628-20	11,571-40	.....	.....	.....	.....
Rej. No. 3 Nor. Sptd	351,646 20	9,709-50	361,356-10				
Rej. No. 4 Sptd	33,369-10	35,587-00	68,956-10				
Rej. No. 5 Sptd	1,061-30	426-00	1,487-30				
Rej. No. 1 Nor. Mix. Gravel	135-10	4,483-10	4,618-20				
Smutty No. 2 Nor	5,929-10	.....	5,929-10			1,075-40	1,075-40
Smutty No. 3 Nor	2,481-40		2,481-40				
Smutty No. 4	1,050-00	.....	1,050-00				
N.G. Tgh. 1 Nor	1,172-40	.....	1,172-40				
N.G. Tgh. No. 2 Nor	18,440-30	793-20	19,233-50				
N.G. Tgh. No. 3 Nor	130,218-00		130,218-00			7,000-00	7,000-00
N.G. Tgh. No. 4	124,675 30	11,485-20	136,160-50				
N.G. Tgh. No. 5	29,212-00	34,553-20	63,765-20			33,575-30	33,875-30
N.G. Dp. No. 5	1,276-50	.....	1,276-50	.....	.....	1,277-20	1,277-20
N.G. Tgh. No. 6	5,205-00	898-30	6,103-30	.....	.....	2,588-00	2,588-00
N.G. Dp. No. 6	2,091-30	.....	2,091-30	.....	.....	2,092-30	2,092-30
N.G. Tgh. Feed	3,925-50		3,925 50			6,721-50	6,721-50
N G. Tgh. Rej. No. 3 Nor	11,151-10	1,130-00	12,281-10				
N.G. Tgh. Rej. No. 4	2,814-20	2,727-00	5,541-20				
N.G. Tgh. Rej. No. 3 Nor. Sptd	103,696-40	42,873-20	146,570-00	.....	.....	3,196-50	3,196-50
N.G. Tgh. Rej. No. 4 Sptd	19,557-20	10,272-01	29,829 30	.....	.....	.....	.....
Wheat and Wild Oats	493-10	.....	493-10	.....	.....	.....	.....
Rej. No. 3 Nor. Mix. Htd	1,095-10	.....	1,095-10	.....	.....	1,095-10	1,095-10
Sample		4,495-20	4,495 20				
Total	6,021,456-10	254,070-50	6,275,527-00	4,169,519-40	443,135-50	1,625,887-40	6,238,543-10

Oats—							
No. 2 C.W.	24,630–10		24,630–10	4,080–00		21,172–00	25,252–00
No. 3 C.W.	43,049–14		43,049–14	5,194–20		34,751–26	39,946–12
Extra No. 1 Feed	4,156–16		4,156–16				
No. 1 Feed	3,708–08		3,708–08				
No. 2 Feed	9,357–22		9,357–22			10,753–18	10,753–18
N.G. Tgh. No. 1 Feed	3,379–24		3,379–24			4,585–00	4,585–00
N.G Tgh. No. 2 Feed	2,935–00		2,935–00			1,843–28	1,843–28
N.G. Tgh. No. 3 C.W.	7,341–29		7,341–29			1,797–32	1,797–32
N.G. Dp. No. 3 C.W.	1,898–08		1,898–08			1,899–24	1,899–24
Rejected Mix. Htg.	2,510–20		2,510–20				
Rejected Mix. Htd.						2,464–14	2,464–14
Total	102,967–12		102,967–12	9,274–20		79,268–06	88,542–26
Rye—							
No. 1 C.W.	38,475–00		38,475–00				
No. 2 C.W.	4,103–02		4,103–20				
Total	42,578–02		38,475–00				
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—							
Rye and Wheat	93,510		93,510				
Elevator Screenings	73,750	614,300	688,050		2,796,000	321,330	3,120,330
Standard Re-cleaned Screenings				566,520	420,000	33,460	1,019,980
Scalpings	58,950	2,275,960	286,710	1,870,000		936,690	2,806,690

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the "Richardson" private Terminal Elevator operated by the Eastern Terminal Elevator Co., Ltd., at Port Arthur, during the Crop Year 1921-22 (Sept. 1st, 1921 to August 31st, 1922 inclusive)

Grade	Receipts from West	Transfer Receipts	Transfer Receipts by Vessels	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—								
No. 1 Hard	132,871-10			132,871-10				
No. 1 Northern	2,943,002-00		27,734-40	2,970,736-40	3,738,696-10	4,400 00	27,734-40	3,770,830-50
No. 2 Northern	1,803,337 10			1,803,337 10	1,758,323 10	1,500-00		1,759,823-10
No. 3 Northern	2,184,068 30		109,652 00	2,293,720 30	2,582,566 30	10,233 20	44,464-20	2,637,264 10
Number 4	637,601-00	913 40		638,514 40	258,118 30	1,100 00	128,673-10	387,891 40
Number 5	133,334 10	3,551 00	18,236-40	155,121 50			19,335-40	19,335 40
Number 6	24,718 50	1,933 40		26,652 30				
Feed	3,790-30	13,437 00		17,227 30				
Dried No. 2 Northern	1,949 20			1,949 20				
Dried No. 3 Northern	14,219 50			14,219 50				
Rej. No. 1 Northern	11,235-30			11,235-30				
Rej. No. 2 Northern	19,636 50			19,636 50				
Rej. No. 3 Northern	23,170-30			23,170-30				
Rej. Number 4	5,477-50			5,477-50				
Rej. Number 5		470 00		470-00				
Rej. No. 3 Nor. Sprtd	268,686 40		9,973 30	278,660-10		1,063-20	9,973.30	11,036-50
Rej. Number 4 Sprtd	56,242 00			56,242 00				
Rej. Number 5 Sprtd	2,428-20			2,428-20				
Rej. No. 1 Nor. Mix. Gravel		955-20		955-20				
Smutty No. 1 Nor	5,454-30	704 30		6,159 00				
Smutty No. 2 Nor	11,309 40			11,309-40				
Smutty No. 3 Nor	21,417-30	1,568-40		22,986-10				
Smutty Number 4	6,005-10			6,005 10				
Smutty Number 5	1,466-30	1,022-00		2,488-30				
N.G. Tgh. No. 1 Nor	2,132 10			2,132-10				
N.G. Tgh. No. 2 Nor	10,515-40			10,515-40	24-10			24-10
N.G. Tgh. No. 3 Nor	127,049-20		18,235-40	145,285-00	1,643-50			1,643-50
N.G. Tgh. No. 4	55,790-30			55,790-30				
N.G. Tgh. No. 5	10,324 40			10,324-40				
N.G. Tgh. No. 6								
N.G. Tgh. Rej. No. 3 Nor	6,835-40			6,835-40				
N.G. Tgh. Rej. No. 4	4,098-50			4,098-50				
N.G. Tgh. Rej. No. 3 Nor. Sprtd	64,966-10			64,966-10		17,117-10		17,117-10
N.G. Tgh. Rej. No. 4 Sprtd	21,474-00			21,474-00				
N.G. Tgh. Rej. No. 5 Sprtd	491-30			491-30				
N.G. Tgh. Sm. No. 3 Nor	2,598-00			2,598-00				
N.G. Tgh. Sm. Rej. No. 3 Nor	507-30			507-30				
N.G. Tgh. Sm. Rej. No. 4	1,019 00			1,019-00				
N.G. Tgh. Sm. Rej. 2 Nor. Nor. Mix. Htd		1,067-00		1,067-00				

N.G. Tgh. Sm. Rej. No. 3 Nor. Mix. Htd	192 30			192 30				
N.G. Tgh. Sm. Rej. No. 3 Nor. Sprtd. Htd. Htg								
N.G. Tgh. No. 6 Htg	— 149-00			149-00				
N.G. Tgh. Condemned Number 1 Htg	404 10	952 50		1,357-00				
N.G. Tgh. Condemned Number 2 Htd	497 30	85-40		583 10				
Rej. No. 2 Nor. Mix. Htd	4,022 40			4,022 40				
Rej. No. 3 Nor. Mix. Htd	1,331 50			1,331 50				
Rej. No. 4 Sprtd. Rej. Mix. Htd	969-40			969 40				
Rej. No. 5 Htg	516-10			516-10				
Rej. Feed Mix. Htd	273-50			273-50				
Condemned No. 2	19-40			19-40				
No. 1 A. R.W	3,082-40			3,082-40				
No. 1 Durum	1,096-10			1,096-10				
No. 2 Durum	4,212-50			4,212-50	9,239-10			9,239-10
Rej. No. 2 Durum	2,429-20			2,429-20	6,509-40			6,509-40
Smutty No. 1 Durum	1,039-10			1,039-10				
Spring and Durum	29,330-30			29,330-30				
Number 3 Durum	8,869 10			8,869-10				
Others	1,013-50			1,013-50				
Condemned Fireburnt						4,600-00		4,600-00
Total	8,678,379 10	26,661 20	183,832 30	8,888,873 00	8,355,121 10	40,013 50	230,181 20	8,625,316 20
Oats—								
No. 2 C.W	446,562 22			446,562 22	629,293 08	40,258 28		669,551 36
No. 3 C.W	644,042-22			644,042-22	834,444-24	64,117-22		898,562-12
Ex. 1 Feed	62,520 00			62,520 00	86,325-00			86,325-00
No. 1 Feed	100,316-26			100,316-26				
No. 2 Feed	91,297 32			91,297 32	222,040 30	37,164 24		259,205-20
Rej	4,958 18			4,958 18				
N.G. Tgh. No. 2 C.W	85,450 30			85,450 30				
N.G. Tgh. No. 3 C.W	231,542 28			231,542 28				
N.G. Tgh. No. 1 Feed	41,044 14	2,013 28		43,058 08				
N.G. Tgh. No. 2 Feed	36,765-20	3,734-14		40,500-00				
N.G. Tgh. Rej	8,860 30			8,860 30				
N.G. Tgh. No. 1 Feed Musty	2,238 08			2,238 08				
N.G. Tgh. Rej. Mix. Htd. and Htg	— 2,072 32	2,370 10		297 12				
N.G. Tgh. Condemned Htd. and Htg	726-26			726-26				
Rej. Mix. Htd	5,688-18			5,688-18				
Oats and Wild Oats	58 08			58 08				
Total	1,760,001-32	8,118 18		1,768,120 16	1,772,103 28	141,541 06		1,913,645-00
Barley—								
No. 3 C.W	137,627-20			137,627-20	206,782-00	2,625-00		209,407-00
Dried No. 3 C.W	1,317 14			1,317 14				
No. 4 C.W	63,114 38			63,114 38	78,022 06	15,783 16		93,805-22
Dried No. 4 C.W	1,316-12			1,316-12				

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT- Showing the Receipts and Shipments, by Grades, at the "Richardson" Private Terminal Elevator operated by the Eastern Terminal Elevator Co., Ltd., at Port Arthur during the Crop Year 1921-1922 (September 1, 1921 to August 31, 1922 inclusive)—*Concluded*

Grades	Receipts from West	Transfer Receipts	Transfer Receipts by Vessels	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Barley—Concluded								
Feed	15,257-34			15,257-34	729-00			729-00
Rejected	6,560 00			6,560 00				
N.G. Tgh. No. 3 C.W.	51,162 05			51,162 05				
N.G. Tgh. No. 4 C.W.	24,969-18			24,969-18				
N.G. Tgh. Feed	6,955 30			6,955 30	59 18			59-18
N.G. Tgh. Rej.	10,166 32			10,166 32				
N.G. Tgh. Rej. Mix. Htd.	1,376 16			1,376 16				
Rej. No. 4 C.W. Sprtd.	1,655-20			1,655-20				
Barley and Wild Oats	2,642-14			2,642-14				
Total	324,121-13			324,121-13	285,592-24	18,408-16		304,000-40
Flaxseed—								
No. 1 N.W.C.	61,302-34			61,302-34	212,791-05	4,151-04		216,942-09
No. 2 C.W.	12,943-38			12,943-38	7,811-53			7,811-53
No. 3 C.W.	2,575 10			2,575-10	7,807-15			7,807-15
N.G. Tgh. No. 1 N.W.C.	213-46			213-46	1,031-51			1,031-51
Cond. Htd.	459 54			459-54				
Rej. No. 1 N.W.C. Mix. Htd.	4-16	1,171-06		1,175-22				
Flax and Broken Wheat	414-06			414-06				
Total	77,913-36	1,171-06		79,084-42	229,442 12	4,151-04		233,593-16
Rye—								
No. 1 C.W.	54,904-36			54,904-36	3,096-04			3,096-04
No. 2 C.W.	140,381-12			140,381-12	185,006-30			185,006-30
Rejected	4,132-48			4,132-48				
Rej. No. 2 C.W.	8,243 11			8,243-11				
N.G. Tgh. No. 1 C.W. Htg.	1,565-30			1,565-30				
N.G. Tgh. No. 2 C.W.	1,816 44			1,816-44				
N.G. Tgh. No. 2 C.W. Htg.	1,515-40			1,515-40				
N.G. Tgh. Rej.	3,862-08			3,862-08				
N.G. Tgh. Rej. No. 2 C.W.	1,281-34			1,281-34				
Total	217,703-39			217,703-39	188,102-34			188,102-34

	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—								
No. 1	213,900	240,340		454,240				
No. 2	18,870	9,880		28,750				
No. 3	106,710	69,730		176,440				
No. 4	262,820			262,820				
N.G. Tgh. No. 1		30,180		30,180				
N.G. Tgh. No. 4	28,640			28,640				
Rej. No. 2 Mix. Htd	80,770			80,770				
Wheat and Rye	182,110	210,490		392,600				
Wheat, Oats and Barley	17,080	206,510		223,590				
Wheat, Rye and Barley		22,900		22,900				
N.G. Tgh. Wheat, Oats and Rye	92,010			92,010				
Others		271,920		271,920				
Rej. No. 3	9,070			9,070				
Total	1,011,980	1,061,950		2,073,930				
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Corn	375,884–06	39,398–02 (Ex Starch Works)		415,282–08	97,338–12	317,035–54		414,374–10
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Elevator Screenings	111,060	419,140		528,200	5,144,590	4,272,920	60,000	9,477,510
Standard Recleaned Screenings						60,000		60,000
Scalpings	62,970	2,271,150		2,334,120	340,000	4,166,450	60,000	4,566,450

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments by Grades, at the Private Terminal Elevator Number 2, operated by the Saskatchewan Co-Operative Elevator Company Limited at Port Arthur during the Crop Year 1921-1922 (September 1, 1921 to August 31, 1922 inclusive)

Grades	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Wheat—							
No. 1 Northern	134,428-40		134,428 40	130,950 10			130,950-10
No. 2 Northern	1,848,832-50		1,848,832 50	2,363,810 40	172,100 00	2,927-20	2,538,838-00
Dried No. 2 Northern	1,269-40		1,269-40				
No. 3 Northern	2,310,328-20		2,310,328-20	2,360,117-00	66,866-40	11,933-50	2,438,917-30
No. 4	683,231-20		683,231-20	289,325-50	45,000-00	42,746-20	377,072-10
No. 5	211,738-10		211,738-10	85,013-40	10,000-00	68,568-40	163,582-20
No. 6	45,794-00		45,794-00		3,133-20		3,133-20
Feed	9,882-10		9,882-10			5,463-00	5,463-00
Rejected No. 1 Nor	7,084-10		7,084-10				
Rej. No. 2 Nor	8,674-20		8,674-20				
Rej. No. 3 Nor	17,317-40	1,619-30	18,937-10				
Rej. No. 4	3,851-00		3,851-00				
Rej. No. 5	2,381-40		2,381-40				
Rej. No. 3 Nor. Sptd	265,798-30		265,798-30	82,368-40	20,266-40	10,945-20	113,580-40
Rej. No. 4 Sptd	25,819-40		25,819-40				
Rej. No. 5 Sptd	1,087-10		1,087-10				
Rej. No. 5 Mix. Fireburnt	1,508-00		1,508-00				
Smutty No. 1 Nor	1,400 00		1,400-00				
Smutty No. 2 Nor	1,062-40		1,062-40				
N.G. Tgh. No. 1 Nor	3,870-20		3,870-20				
N.G. Tgh. No. 2 Nor	13,371-50		13,371-50				
N.G. Tgh. No. 3 Nor	77,516-40		77,516-40	16,228-00	6,200-00		22,428-00
N.G. Tgh. No. 4	43,530-20		43,530-20			15,000-00	15,000-00
N.G. Tgh. No. 5	12,815-40		12,815-40				
N.G. Tgh. No. 6	6,100-40		6,100-40			8,534-50	8,534-50
N.G. Tgh. Feed	4,132-40		4,132-40				
N.G. Tgh. Rej. No. 3 Nor	1,396-30		1,396-30				
N.G. Tgh. Rej. No. 4	1,091-50		1,091-50				
N.G. Tgh. Rej. No. 5	1,011-40		1,011-40				
N.G. Tgh. Rej. No. 3 Nor. B. Ptd	94,432-40		94,432-40	55,189-30	9,000-00	15,243-00	79,432-30
N.G. Tgh. Rej. No. 4 Sptd	18,998-10		18,998-10				
N.G. Tgh. Rej. No. 5 Sptd	1,102-50		1,102 50				
Rej. No. 1 Nor. Mix. Htd	1,495-10		1,495-10				
Rej. No. 2 Nor. Mix. Htd		1,513-20	1,513-20				
Spring and Durum	2,716-30		2,716 30				
Total	5,865,073-30	3,132-50	5,868,206-20	5,383,003-30	332,566-40	181,362-20	5,896,932-30

Oats—							
No. 2 C.W	15,385-30		15,385-30		15,504-24	2,338-28	17,843-18
No. 3 C.W	69,835-20		69,835-20		7,400-00		7,400-00
No. 1 Feed	22,422-32		22,422-32			982-02	982-02
No. 2 Feed	20,666-26		20,666-26	57,480-28	73,389-18	6,487-32	137,358-10
N.G. Tgh. No. 2 C.W	21,765-30		21,765-30		23,800-00		23,800-00
N.G. Tgh. No. 3 C.W	66,966-06		66,966-06		15,823-18		15,823-18
N.G. Tgh. No. 1 Feed	17,676-26		17,676-26		3,882-12		3,882-12
N.G. Tgh. No. 2 Feed	8,248-18		8,248-18		40,000-00	38,747-02	78,747-02
Oats and Wild Oats	135-20		135 20				
Total	243,104-04		243,104-04	57,480-28	179,800-04	48,555 30	285,835-28
Flaxseed—							
No. 3 C.W	37-27		37-27				
Flax and Broken Wheat	40-09		40-09				
Total	77-36		77-36				
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—							
No. 1	150,870		150,870				
No. 2		70,780	70,780				
Wheat and Rye	143,690		143,690				
Sample		105,100	105,100				
Total	294,560	175,880	470,440				
Elevator Screenings	116,400	2,174,340	2,290,740	1,279,790	1,778,000	1,393,480	4,451,270
Standard Re-Cleaned Screenings				80,000	140,000		220,000
Scalpings		241,760	241,760	42,600	249,750	66,000	358,350

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by the Thunder Bay Terminal Elevator Company Limited, at Port Arthur, during the Crop Year 1921–1922 (September 1, 1921 to August 31, 1922, inclusive)

Grades	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bu.
Wheat—							
No. 1 Hard	55,261-40		55,261-40		1,100 00		1,100-00
No. 1 Northern	2,045,306-30		2,045,306-30	3,245,356-10	3,359-50		3,248,716-00
No. 2 Northern	1,962,404 10		1,962,404 10	1,377,618-20	3,000-00		1,380,618-20
No. 3 Northern	1,649,661-50		1,649,661-50	2,085,409-50	21,457 20	1,534-10	2,108,401-20
No. 4	385,867-50		385,867-50	136,677-50	6,766-40	16,222-00	159,666 30
No. 5	71,046-00		71,046-00	13,173-40	1,450-00	2,200-00	16,823-40
No. 6	24,701-30		24,701-30				
Feed	4,801 20		4,801 20				
Dried No. 2 Northern	2,873-30		2,873-30				
Dried No. 3 Northern	6,346 20		6,346-20				
Rej. No. 1 Nor	20,750-20		20,750 20				
Rej. No. 2 Nor	36,200 10		36,200-10	4,354-40		3,982-10	8,336-50
Rej. No. 3 Nor	49,346 20		49,346-20	21,019-00		9,571-00	30,590-00
Rej. No. 4	16,522-50		16,522-50			521-40	521-40
Rej. No. 5	4,197-40		4,197-40				
Rej. No. 3 Nor. Sptd	506,698-40	71,368-20	578,067-00	287,552-10			287,552-10
Rej. No. 4 Sptd	30,092-10	900-30	30,992-40				
Rej. No. 5 Sptd	2,243-30		2,243-30				
Rej. No. 5 Mix. Coal Oil	1,091-00		1,091-00				
Smutty No. 1 Nor	2,172 10		2,172-10				
Smutty No. 2 Nor	985-10		985-10				
Smutty No. 3 Nor	1,614-00		1,614-00				
Smutty No. 4						1,039-50	1,039-50
N.G. Tgh. No. 1 Nor	2,461-10		2,461-10				
N.G. Tgh. No. 2 Nor	16,987-30		16,987-30				
N.G. Tgh. No. 3 Nor	103,865-50		103,865-50	1,967-20		1,282-10	3,249-30
N.G. Tgh. No. 4	101,106-30		101,106 30				
N.G. Tgh. No. 5	20,672-30		20,672 30				
N.G. Tgh. No. 6	6,018 10		6,018-10				
N.G. Tgh. Feed	250-20		250-20				
N.G. Tgh. Rej. No. 2 Nor	1,128-40		1,128 40				
N.G. Tgh. Rej. No. 3 Nor	4,667-40		4,667-40				
N.G. Tgh. Rej. No. 4	4,747-30		4,747-30				
N.G. Tgh. Rej. No. 5	1,250-50		1,250-50				
N.G. Tgh. Rej. No. 3 Nor. Sptd	148,904-00		148-904-00				
N.G. Tgh. Rej. No. 4 Sptd	27,140-10		27,140 10				
N.G. Tgh. Rej. No. 5 Sptd	1,292-00		1,292-00				
N.G. Tgh. Rej. No. 3 Nor. Mix. Coal	1,426-40		1,426-40				
Rej. No. 3 Nor. Mix. Htd	267-30		267-30		3,000-00		3,000-00

Rej. No. 3 Nor. Sptd. Rej. Mix. Htd. and Htg	1,028-30		1,028-30				
Rej. No. 6 Mix. Htd	269-00		269-00				
Cond. No. 2	774-30		774-30	774-30			774-30
Others	5,009-40		5,009-40				
No. 1 Durum	5,206-30		5,206-30	8,084-20			8,084-20
No. 2 Durum	11,432-00		11,432-00	14,180-50			14,180-50
No. 3 Durum	10,146-40		10,146-40	15,152-20			15,152-20
No. 4 Durum	3,368-00		3,368-00	1,975-50			1,975-50
Rej. No. 1 Durum	396-40		396-40				
Rej. No. 3 Durum	1,037-00		1,037-00	1,037-30			1,037-30
Spring Durum	2,090-20		2,090-20				
Total	7,363,130-30	72,268-50	7,435,399-20	7,214,333 50	40,133-50	36,353-00	7,290,820-40
Oats—							
No. 1 C.W	1,690-10		1,690-10				
No. 2 C.W	358,747-22		358,747-22	675,726-07	39,814-24	2,000-00	717,540-31
No. 3 C.W	431,056-04		431,056-04	510,426-00	95,429-14		605,855-14
Extra No. 1 Feed	75,725-30		75,725-30	70,721-16		2,428-28	73,150-10
No. 1 Feed	172,095-20		172,095-30	71,539-30	39,235-10		110,776-06
No. 2 Feed	142,814-14		142,814-14	324,108-32	15,638-08	1,941-06	341,688-12
Rejected	1,616-06		1,616-06				
N.G. Tgh. No. 2 C.W	148,222-22		148,222-22	43,953-20	43,117-22		87,071-08
N.G. Tgh. No. 3 C.W	675,442-22		675,442-22	484,378-09	78,652-32	2,194-04	565,225-11
N.G. Tgh. Extra No. 1 Feed	15,688-18		15,688-18	6,578-09			6,578-08
N.G. Tgh. No. 1 Feed	143,255-04		143,255-04	26,806-10	9,629-14	1,723-18	38,159-08
N.G. Tgh. No. 2 Feed	62,197-02		62,197-02	1,457-10	13,541-06		14,998-16
N.G. Tgh. Rej	1,835-10		1,835-10				
N.G. Tgh. Rej. Mix. Htd	1,711-06		1,711-06				
Rej. Mix. Htd	5,742-20		5,742 20			1,837-02	1,837-02
Total	2,237,841-16		2,237,841-16	2,215,696-06	335,058-28	12,124-24	2,562,879-24
Barley—							
No. 3 C.W	253,205-20		253,205-20	343,369-11	8,849-18		352,218-29
Dried No. 3 C.W	2,335-30		2,335-30				
No. 4 C.W	110,506-12		110,506-12	136,138-46	1,764 18		137,903-16
Dried No. 4 C.W	7,248-24		7,248-24				
Feed	31,721 32		31,721 32	29,944-28			29,944-28
Rejected	20,979-08		20,979-08	36,229-28			36,229-28
N.G. Tgh. No. 3 C.W	76,044-18		76,044-18	20,229-40			20,229-40
N.G. Tgh. No. 4 C.W	29,330-30		29,330-30	4,848-06			4,848-06
N.G. Tgh. Feed	11,400-00		11,400-00	2,766-12			2,766-12
N.G. Tgh. Rej	12,388-16		12,388-16	3,853-26			3,853-26
Others	978 46		978-46				
Total	556,138-44		556,138-44	577,380 05	10,613-36		587,993-41

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the Receipts and Shipments, by Grades, at the Private Terminal Elevator operated by the Thunder Bay Terminal Elevator Company Limited, at Port Arthur, during the Crop Year 1921-1922 (September 1, 1921 to August 31. 1922)—*Concluded*

Grades	Receipts from West	Transfer Receipts	Total Receipts	Lake Shipments	Rail Shipments	Transfer Shipments	Total Shipments
	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.	Net Bush.
Flaxseed—							
No. 1 N.W.C	36,255-49		36,255-49	139,200-17			139,200-17
No. 2 C.W	5,456-36		5,456-36	3,042-00			3,042-00
No. 3 C.W	227-26		227-26				
Rejected				154-48			154-48
Rejected Htd				1,474-34			1,474-34
Condemned				151-32			151-32
Flax and Broken Wheat	345-24	315-00	660-24		2,163 02		2,163-02
Total	42,285 23	315-00	42,600-23	144,023-19	2,163-02		146,186-21
Rye—							
Rej. No. 2 C.W	22-08		22-08				
	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.	Net Lbs.
Mixed Grain—							
No. 1	151,280		151,280				
No. 2	76,650		76,650				
No. 3	140,110		140,110				
N.G. Tgh. No. 1	13,120		13,120				
N.G. Tgh. No. 2	27,530		27,530				
N.G. Tgh. No. 3	27,990		27,990				
N.G. Tgh. No. 4	69,650		69,650				
Wheat Barley	39,500		39,500				
Wheat and Rye	1,320		1,320				
Barley and Wild Oats	71,500		71,500				
Total	618,650		618,650				
Elevator Screenings		201,960	201,960	1,720,000	838,900	335,000	2,893,900
Standard Re-cleaned Screenings				200,000	60,000		260,000
Scalpings	171,920	59,750	231,670	59,750	206,000	70,500	336,250

APPENDIX No. 3

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the quantities of each kind of grain, by grades, dried at the Eastern Terminal Elevator Co., Ltd., "Richardson" Private Terminal Elevator during the Crop Year 1920-21

Grades	Bushels, Dried	Amount of loss	Net Bushels	New Grade
Wheat—				
N.G. Damp No. 1 Northern	1,024-30	93-00	931-30	Dried No. 1 Northern.
N.G. Damp No. 2 Northern	23,980-30	2,140-50	21,839-40	Dried No. 2 Northern.
N.G. Damp No. 3 Northern	49,970-20	4,407-30	45,562-50	No. 3 Northern.
N.G. Damp Number 4	8,955-20	807-30	8,147-50	Number 4.
N.G. Damp Number 5	1,867-30	165-00	1,702-30	Number 5.
N.G. Damp Number 6	1,319-00	119-50	1,199-10	Number 6.
N.G. Damp Feed	1,020-20	88-30	931-50	Feed.
N.G. Dp. Smutty No. 3 Nor	466-50	40-20	426-30	Smutty No. 3 Northern.
N.G. Tgh. Smutty Number 4	719-40	31-50	687-50	Smutty Number 4.
N.G. Damp Rej. No. 3 Nor. Sprtd	997-40	88-00	909-40	Rej. No. 3 Nor. Sprtd.
N.G. Damp Rej. No. 3 Nor. Mix. Htd	752-10	68-00	684-10	Rej. No. 3 Nor. Mix. Htd.
N.G. Damp Cond. No. 1 Htg	494-00	22-30	471-30	Condemned No. 1.
N.G. Damp Cond. No. 2 Htg	396-30	16-10	380-20	Condemned No. 2.
Total	91,964-20	8,089-00	83,875-20	
Oats—				
N.G. Damp No. 2 C.W	2,197-02	188-28	2,008-08	No. 2 C.W.
N.G. Damp No. 3 C.W	10,388-18	898-18	9,490-00	No. 3 C.W.
N.G. Damp No. 3 C.W. Htg	2,789-14	120-20	2,668-28	No. 3 C.W.
N.G. Damp No. 1 Feed	6,639-04	570-30	6,068-08	No. 1 Feed
N.G. Tgh. No. 1 Feed Htg	3,896-06	173-08	3,722-32	No. 1 Feed.
N.G. Damp No. 2 Feed	3,573-28	306-26	3,267-02	No. 2 Feed.
N.G. Tgh. No. 2 Feed Htg	5,242-02	223-28	5,018-08	No. 2 Feed.
N.G. Tgh. Rej. Mix. Htd	1,876-16	85-30	1,790-20	Rej. Mix. Htd.
Total	36,602-22	2,568-18	34,034-04	
Barley—				
N.G. Tgh. No. 4 C.W. Htg	1,713-36	74-38	1,638-46	No. 4 C.W.
N.G. Damp Feed	3,432-34	296-22	3,136-12	Feed.
N.G. Tgh. Feed Htg	1,146-42	50-10	1,096-32	Feed.
N.G. Tgh. Rej. Mix. Htd. and Htg	918-26	41-42	876-32	Rej. Mix. Htd.
N.G. Tgh. Cond. Htd. and Htg.	593-46	56-02	537-44	Cond. Htd.
Total	7,805-40	519-18	7,286-22	
Flaxseed—				
N.G. Damp No. N.W.C	3,432-22	369-16	3,063-06	No. 1 N.W.C.
N.G. Tgh. No. 2 C.W	419-17	19-46	399-27	No. 2 C.W.
N.G. Damp No. 2 C.W	71-05	7-18	63-43	No. 2 C.W.
N.G. Tgh. No. 3 C.W. Htg	620-05	30-50	589-11	No. 3 C.W.
N.G. Tgh. Rej. No. 2 C.W. Htd. and Htg	472-18	32-18	440-00	Rej. No. 2 C.W. Mix. Htd.
N.G. Tgh. Rej. Mix. Htd. and Htg	12-33	30	12-03	Rej. Mix. Htd.
N.G. Tgh. Rej. Htg	47-38	2-48	44-46	Rejected.
Total	5,075-26	463-02	4,612-24	
	Lbs. Dried.	Lbs.	Net Lbs.	
Mixed Grain—				
N.G. Tgh. Rej. No. 3 Mix. Htd. and Htg	12,200	520	11,680	No. 3 Mix. Htd.
N.G. Damp No. 4	41,390	3,560	37,830	No. 4.
Total	53,590	4,080	49,510	

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the quantities of each kind of grain, by Grades, dried at the Saskatchewan Co-operative Private Terminal Elevator Number 2) during the Crop Year 1920-21

Grades	Bushels Dried	Amount of loss	Net Bushels	New Grade
Wheat—				
N.G. Damp No. 2 Northern	37,008-10	2,572-00	34,436-10	Dried No. 2 Northern.
N.G. Tgh. No. 3 Northern	26,057-40	1,723-10	24,334-30	No. 3 Northern.
N.G. Damp No. 3 Northern	24,481-20	1,925-50	22,555-30	No. 3 Northern.
N.G. Tgh. Number 4	8,589-00	280-00	8,309-00	Number 4.
N.G. Damp Number 4	7,728-50	613-20	7,115-30	Number 4.
N.G. Damp Number 5	295-40	25-10	270-30	Number 5.
N.G. Damp Rej. No. 3 Nor	1,036-20	72-30	963-50	Rejected No. 3 Nor.
N.G. Damp Rej. No. 4	1,166-10	93-20	1,072-50	Rejected No. 4.
N.G. Damp Rej. No. 3 Nor. Sprtd	3,052-50	228-10	2,824-40	Rej. No. 3 Nor. Sprtd.
Total	109,416-00	7,533-30	101,882-30	
Oats—				
N.G. Tgh. No. 2 Feed	2,052-32	97-22	1,955-10	No. 2 Feed.
N.G. Damp No. 2 Feed	5,625-20	530-20	5,095-00	No. 2 Feed.
N.G. Tgh. Rej	824-14	37-02	787-12	Rejected.
Total	8,502-32	665-10	7,837-22	

APPENDIX No. 3

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the quantities of each kind of grain, by grades, dried at the Thunder Bay Private Terminal Elevator during the Crop Year 1920-21

Grades	Bushels Dried	Amount of Loss	Net Bushels	New Grade
Wheat—				
N.G. Damp No. 1 Northern	1,070-50	88-50	982-00	Dried No. 1 Northern.
N.G. Damp No. 2 Northern	19,196-30	1,558-40	17,637-50	Dried No. 2 Northern.
N.G. Damp No. 3 Northern	67,617-00	5,431-10	62,185-50	No. 3 Northern.
N.G. Tgh. No. 3 Nor. Htg	1,635-10	76-10	1,559-00	No. 3 Northern.
N.G. Damp No. 3 Nor	1,535-40	122-50	1,412-50	No. 3 Northern.
N.G. Damp Number 4	20,574-20	1,638-50	18,935-30	Number 4.
N.G. Damp Number 4 Htg	18-40	1-20	17-20	Number 4.
N.G. Damp Number 5	3,824-00	319-20	3,504-40	Number 5.
N.G. Damp Rej. 1° Mix. sans and Gravel	758-00	56-50	701-10	Rej. No. 1 Nor. Mix. Sans and Gravel.
N.G. Tgh. Rej. No. 2 Nor. Htd. and Htg	366-00	14-00	352-00	Rej. No. 2 Nor. Htd.
N.G. Damp Rejected No. 3 Nor.	260-20	21-50	238-30	Rejected No. 3 Nor.
N.G. Tgh. Rej. No. 3 Nor. Htd. and Htg	1,743-20	78-40	1,664-40	Rej. No. 3 Nor. Htd.
N.G. Damp Rej. No. 3 Nor. Sprtd	4,677-50	379-50	4,298-00	Rej. No. 3 Nor. Sprtd.
N.G. Damp Rej. No. 4 Sprdt	230-30	17-30	213-00	Rej. No. 4 Sprtd.
N.G. Tgh. Rej. No. 4 Htd. and Htg	596-10	48-00	548-10	Rej. No. 4 Htd.
N.G. Tgh. Cond. No. 1 Htd. and Htg	2,624-30	217-40	2,406-50	Cond. No. 1 Htd.
N.G. Tgh. Cond. No. 2 Mix. Htd and Htg	1,200-10	59-00	1,141-10	Cond. No. 2 Htd.
N.G. Tgh. Cond. No. 2 Htg. Hot	156-30	7-00	149-30	Cond. No. 2 Htd.
Total	128,085-30	10,137-30	117,948-00	
Oats—				
N.G. Tgh. No. 2 C.W	10,000-00	300-00	9,700-00	No. 2 C.W.
N.G. Damp No. 2 C.W	12,774-24	1,049-32	11,724-26	No. 2 C.W.
N.G. Damp No. 2 C.W. Htg	7,317-02	526-16	6,790-20	No. 2 C.W.
N.G. Tgh. No. 2 C.W. Htg	14,757-22	668-28	14,088-28	No. 2 C.W.
N.G. Damp No. 3 C.W	24,521-16	2,007-02	22,514-14	No. 3 C.W.
N.G. Tgh. No. 3 C.W	41,950-00	1,250-00	40,700-00	No. 3 C.W.
N.G. Tgh. No. 3 C.W. Htg	19,300-10	871-06	18,429-04	No. 3 C.W.
N.G. Damp Ex. No. 1 Feed	3,645-20	297-22	3,347-32	Ex. No. 1 Feed.
N.G. Damp Ex. No. 1 Feed Htg.	2,070-20	166-26	1,903-28	Ex. No. 1 Feed.
N.G. Tgh. Ex. No. 1 Feed Htg.	6,020-00	266-26	5,753-08	Ex. No. 1 Feed.
N.G. Tgh. No. 1 Feed	28,480-10	953-28	27,526-16	No. 1 Feed.
N.G. Tgh. No. 1 Feed Htg	10,992-32	493-18	10,499-14	No. 1 Feed.
N.G. Damp No. 1 Feed	14,199-14	1,157-12	13,042-02	No. 1 Feed.
N.G. Tgh. No. 2 Feed	20,000-00	600-00	19,400-00	No. 2 Feed.
N.G. Tgh. No. 2 Feed Htg	8,301-16	362-02	7,939-14	No. 2 Feed.
N.G. Damp No. 2 Feed	15,420-20	1,265-28	14,154-26	No. 2 Feed.
N.G. Damp Rejected	5,500-00	445-30	5,054-04	Rejected.
N.G. Damp Rej. Mix. Htd	2,720-30	219-14	2,501-16	Rej. Htd.
N.G. Tgh. Rej. Htd. and Htg	11,850-10	535-20	11,314-24	Rej. Htd.
N.G. Damp Rej. Htd. and Htg	3,957-12	333-28	3,623-18	Rej. Htd.
N.G. Damp Cond. Htd. and Htg.	1,767-22	139-04	1,628-18	Cond. Htd.
N.G. Tgh. Cond. Htd	1,303-28	63-08	1,240-20	Cond. Htd.
N.G. Tgh. Cond. Htd. and Htg.	1,804-24	81-06	1,723-18	Cond. Htd.
Total	268,656-26	14,055-16	254,601-10	
Barley—				
N.G. Damp No. 3 C.W	1,563-26	129-38	1,433-36	Dried No. 3 C.W.
N.G. Tgh. No. 3 C.W	8,342-34	429-40	7,912-42	Dried No. 3 C.W.
N.G. Damp No. 4 C.W	2,908-46	235-00	2,673-46	Dried No. 4 C.W.
N.G. Tgh. No. 4 C.W	31,787-40	1,391-40	30,396-00	Dried No. 4 C.W.
N.G. Damp No. 4 C.W. Htg	484-28	40-10	444-18	Dried No. 4 C.W.
N.G. Tgh. No. 4 C.W. Htg	5,066-02	217-24	4,848-26	Dried No. 4 C.W.
N.G. Damp Rej. Htg	1,508-16	125-10	1,383-06	Rejected.
N.G. Tgh. Rejected	697-14	54-18	642-44	Rejected.
N.G. Tgh. Rejected Htg	939-28	42-14	897-14	Rejected.
N.G. Tgh. Rejected Htd	761-22	34-08	727-14	Rej. Htd.

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the quantities of each kind of grain, by grades, dried at the Thunder Bay Private Terminal Elevator during the Crop Year 1920-21—*Con.*

Grades	Bushels Dried	Amount of Loss	Net Bushels	New Grade
Barley—Concluded.				
N.G. Tgh. Rej. Htd. and Htg...	299-08	13-26	285-30	Rej. Htd.
N.G. Damp Rej. Htd. and Htg..	2,246-12	162-34	2,083-26	Rej. Htd.
N.G. Tgh. Feed.....	1,831-12	144-38	1,686-22	Feed.
N.G. Damp Feed.....	6,738-26	552-34	6,185-40	Feed.
N.G. Tgh. Feed Htg.....	1,679-18	75-20	1,603-46	Feed.
Total.....	66,854-44	3,649-18	63,205-26	
Flaxseed—				
N.G. Tgh. No. 1 N.W.C.....	6,124-49	266-36	5,858-13	No. 1 N.W.C.
Damp No. 1 N.W.C.....	2,173-40	179-52	1,993-44	No. 1 N.W.C.
N.G. Tgh. No. 1 N.W.C. Htg...	4,481-08	199-26	4,281-38	No. 1 N.W.C.
N.G. Tgh. No. 1 N.W.C. Htd. and Htg.....	2,834-54	138-42	2,696-12	No. 1 N.W.C. Htd.
N.G. Tgh. Rej. No. 1 N.W.C. and Htg.....	996-00	84-04	911-52	Rej. No. 1 N.W.C. Htd.
N.G. Tgh. No. 2 C.W.....	1,447-27	70-20	1,377-07	No. 2 C.W.
N.G. Tgh. No. 2 C.W. Htg.....	3,809-26	202-16	3,607-10	No. 2 C.W.
N.G. Tgh. No. 2 C.W. Htg.....	169-22	6-48	162-30	No. 2 C.W.
N.G. Tgh. No. 3 C.W.....	3,169-16	133-10	3,036-06	No. 3 C.W.
N.G. Damp No. 3 C.W.....	509-40	33-24	476-16	No. 3 C.W.
N.G. Tgh. No. 3 C.W. Htg.....	1,171-34	52-08	1,119-26	No. 3 C.W.
N.G. Tgh. Cond. Htg.....	763-24	32-24	731-00	Condemned Htd.
N.G. Damp Cond. Htd.....	164-42	13-10	151-32	Condemned Htd.
Rek. Htd. and Htg. Mix. Broken Wheat.....	33-20	2-30	30-46	Flax. Broken Wheat.
Total.....	27,849-10	1,415-14	26,433-52	
	Lbs.	Lbs.	Lbs.	
Mixed Grain—				
N.G. Damp No. 2.....	69,270	5,610	63,660	No. 2.
N.G. Tgh. No. 3.....	830	30	800	No. 3.
Total.....	70,100	5,640	64,460	

APPENDIX No. 3

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the quantities of each kind of grain, by grades, dried at the Eastern Terminal Elevator Co. Ltd. "Richardson" Private Terminal elevator during the Crop Year 1921-22

Grade	Bushels, Dried	Amount of Loss	Net Bushels	New Grade
Wheat—				
N.G. Dp. No. 2 Northern	2,137-20	187-50	1,949-20	Dried No. 2 Northern.
N.G. Dp. No. 3 Northern	28,858-50	2,581-10	26,277-40	No. 3 Northern.
N.G. Dp. No. 4	14,800-00	1,298-20	13,581-40	Number 4.
N.G. Dp. No. 5	896-00	86-40	809-20	Number 5.
N.G. Dp. No. 6	1,222-10	104-50	1,117-20	Number 6.
N.G. Tgh. No. 6 Htg	362-20	15-30	346-50	Number 6.
N.G. Dp. Smty. No. 3 Northern	1,124-40	103-50	1,020-50	Smty. No. 3 Northern.
N.G. Dp. Rej. No. 4	958-20	84-10	874-10	Rej. Number4.
N.G. Dp. Rej. No. 3 Nor. Sprtd	7,107-20	645-00	6,462-20	Rej. No. 3 Nor. Sprtd.
N.G. Tgh. Rej. No. 3 Nor. Sprtd. and Htg	893-40	78-10	815-30	Rej. No. 3 Nor. Sprtd.
N.G. Dp. Rej. Number 4 Sprt	2,993-20	266-10	2,727-10	Rej. Number 4 Sprtd.
N.G. Dp. Rej. Number 4 Sprtd. Rej. Mix. Htd. Htg	1,063-00	93-20	969-40	Rej. No. 4 Sprt Rej. Mix. Htd
N.G. Tgh. Rej. Number 5 Htd. and Htg	540-40	24-30	516-10	Rej. Number 5 Htd.
N.G. Dp. Rej. Feed. Mix. Htd.	300-00	26-10	273-50	Rej. Feed. Mix. Htd.
N.G. Dp. Condemned No. 1 Htg	1,067-00	91-30	975-30	Condemned No. 1.
N.G. Tgh. Cond. No. 1 Htd. and Htg	404-10	17-30	386-40	Condemned No. 1 Htd.
N.G. Dp. Condemned No. 2	21-20	1-40	19-40	Condemned No. 2.
Total	64,830-00	5,706-20	59,123-40	
Oats—				
N.G. Damp. No. 2 C.W.	1,764-04	152-22	1,611-16	No. 2 C.W.
N.G. Damp. No. 3 C.W.	28,001-16	2,439-14	25,562-02	No. 3 C.W.
N.G. Tgh. No. 3 C.W.	5,310-00	462-22	4,847-12	No. 3 C.W.
N.G. Tgh. No. 3 C.W. Mix. Htg.	2,797-12	124-04	2,673-08	No. 3 C.W.
N.G. Damp No. 1 Feed	6,912-22	606-16	6,306-06	No. 1 Feed
N.G. Damp No. 2 Feed	16,536-26	1,442-32	15,093-28	No. 2 Feed.
N.G. Tgh. Rej. Htd. and Htg.	3,677-02	155-10	3,521-26	Rej. Htd.
Total	64,999-14	5,383-18	59,615-30	
Barley—				
N.G. Damp No. 3 C.W.	2,715-40	245-00	2,470-40	Dried No. 3 C.W.
N.G. Tgh. No. 4 C.W. Htg.	1,404-08	62-04	1,342-04	No. 4 C.W.
N.G. Damp No. 4 C.W.	6,074-38	532-34	5,542-04	Dried No. 4 C.W.
N.G. Damp Rej. No. 4 C.W. Sprt	1,818-06	162-34	1,655-20	Rej. No. 4 C.W. Sprt.
N.G. Damp. Rej.	1,325-40	116-22	1,209-18	Rejected.
N.G. Tgh. Rej. Mix. Htd. and Htg	938-46	82-04	856-42	Rej. Htd.
N.G. Tgh. No. 3 C.W. Mix. Htg.	56-22	4-46	51-24	No. 3 C.W.
Total	14,334-08	1,206-00	13,128-00	
Flaxseed—				
N.G. Damp Condemned Htd.	510-18	50-20	459-54	Condemned Htd.
Rye—				
N.G. Damp No. 2 C.W. Htg.	518-02	47-28	470-30	No. 2 C.W.
N.G. Tgh. No. 2 C.W. Mix. Htg.	1,484-46	68-12	1,416-34	No. 3 C.W.
N.G. Tgh. Rej. Mix. Htg.	1,263-32	110-30	1,153-02	Rejected.
N.G. Damp Rej. No. 2 C.W.	13-02	1-14	11-44	Rej. No. 2 C.W.
N.G. Tgh. Rej. No. 2 C.W. Mix. Htd	238-34	15-40	222-50	Rej. No. 2 C.W. Mix. Htd.
Total	3,518-04	243-12	3,274-48	
	Lbs.	Lbs.	Lbs.	
Mixed Grain—				
N.G. Damp Number 1	75,680	6,670	69,010	Number 1.
N.G. Tgh. Number 3 Htg.	44,090	3,790	40,300	Number 3.
N.G. Damp Number 4	128,760	11,720	117,040	Number 4.
N.G. Damp Rej. Number 3 Mix. Htd. and Htg.	9,930	860	9,070	Rej. Number 3 Mix. Htd.
Total	258,460	23,040	235,420	

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the quantities of each kind of grain, by grades, dried at the Saskatchewan Co-operative Private Terminal Elevator (Number 2) during the Crop Year 1921-22

Grade	Bushels, Dried	Amount of Loss	Net Bushels	New Grade
Wheat—				
N.G. Damp No. 2 Northern.....	1,380-00	110-20	1,269-40	Dried No. 2 Northern.
N.G. Damp No. 3 Northern.....	2,518-00	219-30	2,298-30	No. 3 Northern.
Total.....	3,898-00	329-50	3,568-10	
Oats—				
N.G. Damp No. 3 C.W.....	4,074-14	295-10	3,779-04	No. 3 C.W.
N.G. Damp No. 1 Feed.....	3,600-30	312-32	3,287-32	No. 1Feed.
Total.....	7,675-10	608-08	7,067-02	

APPENDIX No. 3

BOARD OF GRAIN COMMISSIONERS FOR CANADA

STATEMENT—Showing the quantities of each kind of grain, by Grades, dried at the Thunder Bay Private Terminal Elevator, during the Crop Year 1921–1922

Grade	Bushels, Dried	Amount of Loss	Net Bushels	New Grade
Wheat—				
N.G. Damp Rej. No. 3 Northern	1,034–10	86–50	947–20	Rejected No. 3 Nor.
N.G. Dp. No. 2 Northern	3,142–00	268–30	2,873–30	Dried No. 2 Northern.
N.G.Tgh. No. 2 Northern	1,195–20	56–50	1,138–30	No. 2 Northern.
N.G. Dp. No. 3 Northern	14,434–40	1,197–10	13,237–30	No. 3 Northern.
N.G. Tgh. No. 3 Northern	1,001–50	47–40	954–10	No. 3 Northern.
N.G. Dp. No. 4	22,527–40	1,908–10	20,619–30	Number 4.
N.G. Tgh. Number 4 Htg	1,584–30	71–20	1,513–10	Number 4.
N.G. Dp. Number 5	7,517–40	630–50	6,886–50	Number 5.
N.G. Dp. Number 6.	2,325–00	195–20	2,129–40	Number 6.
N.G. Dp. Rej. No. 3 Northern Sprtd	14,568–40	1,238–10	13,330–30	Rej. No. 3 Nor. Sprtd.
N.G. Tgh. Rej. No. 3 Nor. Sprtd. Htg	2,541–30	114–20	2,427–10	Rej. No. 3 Nor. Sprtd.
N.G. Dmp. Rej. Number 4	3,971–40	331–20	3,640 20	Rej. Number 4.
N.G. Dp. Rej. Number 4 Sprtd.	1,652–30	113–30	1,539–00	Rej. Number 4 Sprtd.
N.G. Tgh. Rej. No. 4 Sprtd. Rej. Mix. Htd	1,122–50	94–20	1,028–30	Rej. No. 4 Sprtd. Rej. Mix Htd.
N.G. Tgh. Rej. No. 6 Htd. and Htg	282–50	13–50	269–00	Rej. No. 6 Htd.
N.G. Dp. Cond. No. 2 Htg.	253–10	21–40	231–30	Condemned No. 2.
N.G. Tgh. Cond. No. 2 Htg	567–40	24–40	543–00	Condemned No. 2.
N.G. Tgh. Rej. No. 3 Nor. Htd. and Htg	280–10	12–40	267–30	Rej. No. 3 Nor. Htd.
Total	80,003–50	6,427–10	73,576–40	
Oats—				
N.G. Damp No. 2 C.W.	6,006–26	504–24	5,502–02	Dried No. 2 C.W.
N.G. Damp No. 3 C.W.	95,760–30	7,906–14	87,854–14	No. 3 C.W.
N.G. Tgh. No. 3 C.W. Htg.	3,776–26	169–04	3,607–22	No. 3 C.W.
N.G. Damp No. 1 Feed.	38,476–06	3,228–08	35,247–32	No. 1 Feed.
N.G. Damp No. 2 Feed Htg.	3,607–22	305–10	3,302–12	No. 2 Feed.
N.G. Tgh. No. 2 Feed Htg.	1,770–20	77–32	1,692–22	No. 2 Feed.
N.G. Damp No. 2 Feed	35,469–14	3,004–24	32,464–24	No. 2 Feed.
N.G. Tgh. Rej. Mix. Htd. and Htg	6,011–06	268–20	5,742–20	Rej. Mix. Htd.
Total	190,879–14	15,465–00	175,414–14	
Barley—				
N.G. Damp No. 3 C.W.	2,549–38	214–08	2,335–30	Dried No. 3 C.W.
N.G. Damp No. 4 C.W.	12,200–30	1,018–18	11,182–12	Dried No. 4 C.W.
N.G. DampRejected	7,185–40	596–32	6,589–08	Rejected.
N.G. Damp Barley and Wild Oats	819–38	68–46	750–40	Barley and Wild Oats
Total	22,756–02	1,898–08	20,857–42	
Flaxseed—				
N.G. Damp No. 2 C.W.	110–24	9–14	101–10	No. 2 C.W.

INDEX

ACCOUNTING
Farm systems—Mr. Leitch, 91, 139; Mr. Grant, 362 to 364, 383 to 392; Mr. Williams, 821 to 823; Mr. Hamilton, 1017; Mr. Newman, 1586 to 1634; Mr. Fairbairn, 1652. See also "Ontario Agricultural College," "Rural Credits."

ADVERTISING
Farm produce, helps sale of—Mr. Barton, 122; Mr. Hughes, 553, 554. See also "Relative Prices."

AGENDA
Amended—Page 7.
Marketing—Pages 8, 421.
Production—Pages 6, 421.
Proposed—Page 1.
Relative Prices—Pages 7, 421.
Rural Credits—Pages 7, 421, 422.
Subjects suggested—Page 6.

AGREEMENTS
Shipping, as to rates—Mr. Curry, 143 to 150; Mr. Nicoll, 156, 157; Mr. Doherty, 162 to 164; Mr. Cunningham, 165 to 167, 183 to 205, 209, 214, 215, 223. See also "Combines," also 'Conferences' under "Shipping."

AGRICULTURE
Aid to—See "Government".
Basic Industry—Mr. Grant, 396, 397; Mr. Imrie, 1431.
Cattle, beef, needed in Canada—Mr. McLean, 227, 228.
Conditions of—Page 6, Mr. Deachman, 914.
Education—Mrs. McNaughton, 428 to 430; Mr. Edwards, 437; Mr. Toupin, 457; Mr. Ste. Marie, 623 to 625; Mr. Gagne, 1046, 1047; Mr. Hamilton, 1062.
Farming—See special heading.
Legislation re—Mr. Leitch, 139, 140, 516.
Mixed farming advocated—Mr. Leitch, 134; Mr. Hamilton, 1034, 1035. See also "Government".
Remedies for present condition—Page 6.

AGRICULTURAL
Implements, ocean rate on—Mr. Cunningham, 198 to 200.
Organizations, notified of Committee meetings—Page 12.
Societies in Saskatchewan—Mr. Williams, 817, 828, 832, 840, 841.
Survey—See special heading "Surveys."

ALBERTA
Mixed farming in—Mr. Imrie, 1444.

AMENDMENT
Agenda, to—Page 7.

APPLES. See under "Fruit."

ASSESSMENT
Tax—Mr. Edwards, 433, 434; Mr. Reid, 658.

ASSOCIATIONS
Combines—See special heading.
Conferences—See special heading.
Live Stock—Mr. King, 966.
Millers', Flour—Mr. Cornell, 172; Mr. Watts, 269, 278, 279, 288.
Single Tax—Pages 422, 423.

AUSTRALIA
Competition in dairy products—Mr. Leitch, 135, Mr. Ruddick, 1580.
Embargo on fruit—Mr. Bulman, 59, 60.
Market for fruit—Mr. Taylor, 52; Mr. Bulman, 55, 60.
Ocean rates to—Mr. Thompson, 292.

AUTOMOBILES
Farms, on—Mr. Grant, 394; Mrs. McNaughton, 424; Mr. Edwards, 440; Mr. Hamilton, 1024, 1032, 1033; Mr. Bowman, 1119.

BACON. See "Hogs" under "Live Stock."

BANKS
Capital provided for marketing by—Mr. Jackman, 706, 707.
Reports on Western conditions—Mr. Deachman, 914.
Rural Credits—See special heading.

BARLEY. See under "Grain."

BARR SHIPPING CO.
Ocean rates—Mr. Cornell, 178; Mr. Watts, 275.

BASIC INDUSTRIES
Agriculture one of—Mr. Grant, 396, 397; Mr. Imrie, 1431.
Canadian—Mr. Leitch, 535, 536.
Products, transportation rates for—Mr. Bulman, 56, 58, 60, 61; Mr. Leitch, 126; Mr. Watts, 270, 276; Mr. Thompson, 295; Mr. Watts, 298; Mr. Edwards, 442, 443; Mr. Cumming, 477; Mr. Leitch, 514, 515; Mr. McMaster, 921; Mr. Swanson, 1449.

BEEF. See heading under "Cattle" under "Live Stock."

BEEF CATTLE. See heading under "Live Stock."

BOARD
Canadian Wheat—Mr. Watts, 211, 271; Mr. Edwards, 445; Mr. Sly, 761; Mr. Hamilton, 1061; Mr. Imrie, 1435; Mr. Swanson, 1470.

BOTTLES
Milk—Mr. Leitch, 132; Mr. Sissons, 492; Mr. Henry, 544, 548, 549; Mr. Hughes, 552, 555 to 558.

BREEDING
Cattle, Beef—Mr. McLean, 234, 236, 237; Mr. Spence, 809; Mr. Williams, 835, 836, 845, 846.
Cattle, Dairy—Mr. Barton, 106, 113 to 118; Mr. Leitch, 139; Mr. Toupin, 455, 457; Mr. Cumming, 474, 475; Mr. Leitch, 538, 539; Mr. Ste. Marie, 622, 623.
Hogs—Mr. McLean, 241; Mr. Spence, 809.
Horses—Mr. Williams, 834 to 836.
Live Stock, generally—Mr. Leitch, 101, 102, 139; Mr. Toupin, 455; Mr. Stonehouse, 600; Mr. Williams, 833, 834.

BREEDS
Cattle, of dairy—Mr. Toupin, 461, 462; Mr. Spence, 809; Mr. Williams, 836, 837.

BRITISH COLUMBIA
Apples—Mr. Taylor, 46, 47; Mr. Bulman, 54.
Co-operative organizations—Mr. Taylor, 41; Mr. Bulman, 54, 55; Mr. MacIntosh, 1800; Exhibit No. 2, pages 1836 to 1842.
Fruit growers assisted by experimental farms—Mr. Taylor, 48.
Fruit Industry—Mr. Taylor, 37; Sissons, 499, 500.
Fruit production costs—Mr. Taylor, 45, 47; Mr. Bulman, 58. Exhibit No. 200, pages 1888 to 1913.
Grain, demand for—Mr. Bulman, 63.
Hay, demand for—Mr. Bulman, 63.
Irrigation—Mr. Taylor, 47; Mr. Bulman, 58, 60.
Meats, demand for—Mr. Bulman, 63.
Orchard pests—Mr. Taylor, 48 to 50; Mr. Bulman 56, 59.
Strawberries, consigned from—Mr. Taylor, 40.
Taxes—Mr. Bulman, 67, 70.

BRITISH NORTH AMERICA ACT
Intercolonial Railway, guaranteed by—Mr. Cumming, 477, 478.

BROKERS
Cattle—Page 11; Mr. Campbell, 65, 66, 71, 72, 74, 79, 80, 84; Mr. Curry, 144, 150 to 152, 170, 171; Mr. Cunningham, 202, 204, 205, 207, 208; Mr. Motherwell, 328; Mr. Light, 338; Mr. Munro, 373.
Grain—Mr. Cunningham, 195, 196; Mr. Watts, 279.
Shipping—Mr. Curry, 150 to 152, 170, 171; Mr. Cornell, 173, 174; Mr. Cunningham, 204, 205, 207, 208, 224; Mr. Ledingham, 263, 269; Mr. Watts, 275; Mr. Motherwell, 328; Mr. Light, 338.
Shipping, intimidation of—Mr. Chase, 316.

BUILDINGS. See under "Farm."

BULLETINS
Cheese—Mr. Leitch, 137.
Cost of production—Mr. Taylor, 46; Mr. Leitch, 93, 137.

BUTTER. See under 'Dairy Cattle' under "Live Stock."

CALIFORNIA
Farmers' vacations in—Mr. Grant, 304, 405.

CALVES. See under 'Beef Cattle' and 'Dairy Cattle' under "Live Stock."

CANADA
Bacon, Price of, in—Mr. McLean, 227, 244 to 246; Mr. Thompson, 292.
Cattle, Beef, facilities for handling, in—Mr. Somerville, 1545 to 1549.
Cattle, Beef, must be exported from—Mr. McLean, 227, 228.
Cattle, movement from West to East, in—Mr. Arkell, 32 to 35; Mr. Barton, 107, 110; Mr. McLean, 233; Mr. Light, 329, 334, 335.
Cattle, number in—Mr. Hamilton, 1011.
Emigration from—Mr. Bulman, 57; Mr. Fortier, 567, 569, 570; Mr. Deachman, 913, 914; Mr. Pirie, 948, 949; Mr. Gagne, 1048.
Government—See special heading.
Hogs in—Mr. Hamilton, 1011, 1034.
Horses in—Mr. Hamilton, 1011.
Japan, immigration from—Mr. Bulman, 59.
Market—See special heading.
National Dairy Council of—Mr. Stonehouse, 591, 596, 597.
Ports of Departure for cattle from—Mr. Grisdale, 22; Mr. Campbell, 70, 74, 75, 77, 78; Mr. Curry, 152, 153, 157; Mr. Somerville, 1546 to 1550.
Sheep in—Mr. Hamilton, 1011, 1034.
Steamship Lines, Ltd.—Mr. Campbell, 73, 85; Mr. Curry, 143, 144, 149, 150; Mr. Doherty, 161 to 165; Mr. Cunningham, 189, 190; Mr. Ledingham, 266; Mr. Doherty, 542.

CANADIAN
Agriculture needs beef cattle—Mr. McLean, 227, 228.

CANADIAN—*Con.*
Agricultural conditions contrasted with United States—Mr. Deachman, 914.
Basic industries—Mr. Grant, 396, 397; Mr. Leitch, 535, 536; Mr. Imrie, 1431.
Buyers of beef cattle—Mr. Campbell, 75.
Combines—See special heading.
Council of Agriculture—Mrs. McNaughton, 424, 431; Mr. Ward, 627.
Government—See special heading.
Government Mercantile Marine—Mr. Campbell, 72, 73, 79, 85; Mr. Cunningham, 165 to 170, 178, 179, 183 to 226; Mr. Ledingham, 263; Mr. Watts, 270, 272, 277; Mr. Thompson, 291, 292; Mr. Chase, 313; Mr. Motherwell, 328; Mr. Hamilton, 1060; Mr. Hatfield, 1412; Mr. Somerville, 1550.
Homestead policy—Mr. Spence, 797.
Irish cattle compared with—Mr. Grisdale, 26.
Market—See special heading.
Marketing system—Mr. Taylor, 47, 48; Mr. Curry, 145; Mr. Scripture, 301 to 305; Mr. Grant, 408, 410, 411; Mr. Sissons, 501, 502.
Pacific Steamship Lines—Mr. Campbell, 83, 85; Mr. Curry, 143, 149, 150; Mr. Cunningham, 190, 193, 194, 225; Mr. Ledingham, 261, 262, 266; Mr. Hatfield, 1413; Mr. Estey, 1422.
Ports, shipping from—Mr. Grisdale, 22; Mr. Curry, 144 to 147; Mr. Nicoll, 160; Mr. Cunningham, 168, 185, 187, 191, 192, 198, 200, 201, 204, 205, 225; Mr. Ledingham, 261, 262, 266; Mr. Thompson, 296, 297; Mr. Scripture, 301; Mr. Light, 336 Mr. Pirie, 945.
Wheat Board—Mr. Watts, 271, 273; Mr. Edwards, 445; Mr. Sly, 761; Mr. Hamilton, 1061; Mr. Imrie, 1435; Mr. Swanson, 1470.
Wheat quality—Mr. Hamilton, 1010, 1011.
Wheat, United States flour from—Mr. Cornell, 175; Mr. Thompson, 289, 290.

CAPITALIZATION. See "Farms."

CASH CROPS
Definition of—Mr. Ste. Marie, 610, 618.

CATTLE. See heading under "Live Stock."

CHAIRMAN
Selected by Committee—Page 1.

CHEESE. See heading under 'Dairy Cattle' under "Live Stock."

CHILLED BEEF. See under 'Beef Cattle' under "Live Stock."

CHINA
Immigration from—Mr. Bulman, 54, 59.
Market for fruit—Mr. Taylor, 52; Mr. Bulman, 54.

CIVIL SERVICE
Farm labour compared with—Mr. Fortier, 574.

COAL
Nova Scotia—Mr. Cumming, 476 to 479.

COLD STORAGE
Beef—Mr. McLean, 233; Mr. Cumming, 483, 484.
Controls market—Mr. Bulman, 55, 59; Mr. Grant, 416, 418; Mr. Stonehouse, 596.
Dairy products—Mr. Bourbeau, 583, 584, 589; Mr. Stonehouse, 596, 597.
Eggs—Mr. McLean, 252 to 254; Mr. Grant, 412.
Fruit—Mr. Taylor, 50; Mr. Bulman, 55, 58, 59; Mr. Sissons, 499; Mr. Fairbairn, 1641, 1649, 1650.
Lambs—Mr. McLean, 252; Mr. Cumming. 483.
Localities where needed—Mr. Bulman, 59; Mr. Caldwell, 129; Mr. Grant, 416; Mr. Cumming, 483.
Producer benefits by—Mr. McLean, 253; Mr. Grant, 416; Mr. Stonehouse, 596.
Steamship—Mr. Bulman, 59; Mr. Curry, 148; Mr. Cunningham, 192; Mr. McLean, 233.

COLONIZATION
Land—Mr. Grant, 362; Mr. Edwards, 433; Mr. Hamilton, 1020. See also "Immigration."

COMBINES
Canadian—Mr. Edwards, 445, 446; Mr. Sissons, 491; Mr. Hughes, 556; Mr. Jackman, 693; Mr. Swanson, 1457, 1458; Mr. Fairbairn, 1654.
Potato—Mr. Ledingham, 264 to 266, 268; Mr. Chase, 320 to 322; Mr. Pirie, 943 to 945, 947, 951, 953; Mr. Dewar, 1381 to 1384; Mr. Hatfiled, 1393 to 1396, 1410; Mr. Estey, 1421, 1422, 1425 to 1427, 1429 to 1431.
Relative prices affected by—See special heading.
Shipping—Mr. Campbell, 78, 79; Mr. Curry, 143; Mr. Nicoll, 156; Mr. Doherty, 162; Mr. Cunningham, 165, 166, 168, 195, 224; Mr. Ledingham, 266; Mr. Watts, 269 to 272, 277, 278. See also 'Conferences' under "Shipping."

COMMISSION MERCHANTS
Fruit—Mr. Taylor, 38, 40; Mr. Scripture, 301, 303, 304; Mr. Sissons, 496.

COMPANIES
Dairy products, distributing—Mr. Sissons, 492, 493; Mr. Henry, 543, 549, 550; Mr. Hughes, 552, 563, 564.
Watered stock in—Mr. Sissons, 492, 493.

CONFERENCES

Shipping—Mr. Curry, 143 to 150; Mr. Nicoll, 156 to 159; Mr. Doherty, 162 to 164; Mr. Cunningham, 165 to 169, 183 to 224; Mr. Ledingham, 266, 267; Mr. Watts, 269, 272, 277; Mr. Scripture, 301; Mr. Chase, 313, 314, 316, 317; Mr. Light, 336; Mr. McMaster, 1004, 1005. See also "Agreements" and "Combines."

CONTROL

Production, of—Mr. Grant, 409; Mr. Stonehouse, 594.

CONSUMER

Producer to, distribution—Mr. Leitch, 514, 515; See also "Price."

CO-OPERATION

Beef cattle marketing—Mr. Motherwell, 327, 328.

Egg marketing—Mr. Grant, 411 to 413; Mrs. McNaughton, 431.

Farming—Mr. Dewar, 1371.

Fruit marketing—Mr. Taylor, 41, 43, 51; Mr. Bulman, 55, 60; Mr. Scripture, 306, 307, 311; Mr. Chase, 312, 324, 327; Mr. Fairbairn, 1634 to 1637, 1647.

General marketing—Mr. MacIntosh, 1781 to 1801.

Grain marketing—Mr. King, 964; Mr. Hamilton, 1060.

Ideal, an—not a force—Mr. Grant, 412, 413.

Live stock marketing—Mr. Grant, 416; Mr. Williams, 840.

Organizations, British Columbia—Mr. Taylor, 41; Mr. Bulman, 54, 55; Mr. MacIntosh, 1800.

Organizations, Dairy Products—Mr. Leitch, 136 to 138; Mr. Henry, 551; Mr. Bourbeau, 581; Mr. Stonehouse, 594 to 597; Mr. Spence, 814 to 816.

Organizations, form of—Mr. Grant, 415, 416; Mr. Gagne, 1049; Mr. MacIntosh, 1785, 1786.

Organizations, form of contract—Mr. Bulman, 42, 44; Exhibit No. 2, pages 1836 to 1942.

Organizations, Government aid to—Mr. Bulman, 54; Mr. Motherwell, 327, 328; Mr. Grant, 411, 412, 417; Mrs. McNaughton, 431; Mr. Jackman, 694; Mr. Spence, 815, 816; Mr. Gagne, 1049; Mr. MacIntosh, 1793 to 1795.

Organizations, management of—Mr. Taylor, 43; Mr. Bulman, 60; Mr. Grant, 416; Mr. King, 964; Mr. Gagne, 1049, 1050; Mr. Fairbairn, 1636, 1637.

Organizations eliminate middlemen—Mr. Bulman, 61; Mr. Grant, 414; Mr. King, 964.

Organizations, pooling of prices—Mr. Grant, 416.

Potato marketing—Mr. Chase, 322; Mr. Pirie, 944 to 946; Mr. Dewar, 1377 to

CO-OPERATION—*Con.*

1381, 1383; Mr. Hatfield, 1411; Mr. Estey, 1421, 1427.

Producers need—Mr. Jackman, 690 to 694, 705, 706; Mr. Spence, 813; Mr. Williams 838; Mr. Pirie, 949, 950.

Results of—Mr. Grant, 411, 414, 415; Mr. Sissons, 506; Mr. Bourbeau, 581; Mr. Stonehouse, 596 to 598; Mr. Spence, 816; Mr. Williams, 838; Mr. Pirie, 949 to 951; Mr. King, 964; Mr. Gagne, 1049, 1050; Mr. Hamilton, 1060; Mr. Dewar, 1373, 1374; Mr. Fairbairn, 1634 to 1637; Mr. MacIntosh, 1781, 1782, 1800.

CORN. See heading under "Grain."

COSTS

Production—See heading under "Production."

Retail business—Mr. Scripture, 304, 305.

COUNCIL OF AGRICULTURE

Canadian—Mrs. McNaughton, 424, 431; Mr. Ward, 627.

CREAM. See heading under 'Dairy Cattle' under "Live Stock."

CREDIT

Markets, prevents glutting of—Mr. King, 937.

Rural—See special heading.

CROP

Cash, definition of—Mr. Ste. Marie, 610, 618.

Failures—Mr. Grant, 376, 377.

Index, definition of—Mr. Ste. Marie, 611.

Insurance—Mr. King, 979, 980.

Share farming plan—Mr. Grant, 369, 370, 404.

CUBA

Grain market—Mr. Hatfield, 1417.

Hay market—Mr. Hatfield, 1417.

Potato Combine—Mr. Ledingham, 266; Mr. Chase, 320 to 322; Mr. Pirie, 947, 951; Mr. Dewar, 1381 to 1384; Mr. Hatfield, 1393 to 1396; Mr. Estey, 1425.

Potato market—Mr. Nicoll, 159; Mr. Cunningham, 169, 221 to 223; Mr. Ledingham, 261 to 269; Mr. Chase, 314, 315; Mr. Pirie, 943, 944; Mr. Dewar, 1381 to 1383; Mr. Hatfield, 1391, 1393 to 1407, 1419; Mr. Estey, 1420 to 1424.

Return cargoes from—Mr. Ledingham, 264; Mr. Pirie, 946, 947.

Tariff on Potatoes—Mr. Chase, 324; Mr. Pirie, 952; Mr. Hatfield, 1417; Mr. Estey, 1425, 1427.

Tariff preference to United States—Mr. Hatfield, 1417, 1418.

DAIRY CATTLE. See heading under "Live Stock."

DEBT
Incurred during war—Mr. Edwards, 445.
Rural—See "Rural Credits."

DEFINITIONS
Cash crops—Mr. Ste. Marie, 610, 618.
Crop Index—Mr. Ste. Marie, 611.
In Sink—Mr. Arkell, 30; Mr. Light, 336.
Labour Income—Mr. Leitch, 94, 97, 124; Mr. Grant, 364; Mr. Toupin, 459; Mr. Ste. Marie, 606, 610.
Live stock index—Mr. Ste. Marie, 611.
Mixed farming—Mr. Grant, 405, 406; Mr. Reid, 647; Mr. Hamilton, 1035.
Ocean space for cattle—Mr. Arkell, 33; Mr. Campbell, 67; Mr. Light, 330; Mr. Hawken, 341, 342; Mr. Pinsonnault, 345.

DEFLATION
Farm products—Mr. Leitch, 91.
Live stock—Mr. Leitch, 92, 93, 100, 101, 131; Mr. Grant, 378; Mr. Sissons, 493 to 495; Mr. Leitch, 522; Mr. Reid, 663, 664.

DENMARK
Competition in dairy products—Mr. Leitch, 135; Mr. Fortier, 570; Mr. Bourbeau, 571, 584, 585; Mr. Ruddick, 1580 to 1585.
Competition in pork products—Mr. McLean, 241 to 243; Mr. Toupin, 461.

DEPRECIATION
Horses—Mr. Grant, 354; Mr. Henry, 546, 547; Mr. Dewar, 1370.
Live stock, generally—Mr. Ste. Marie, 605 to 609.

DEPRESSION
Cattle industry—Mr. McLean, 229, 231; Mr. Leitch, 523; Mr. Williams, 839.

DEVELOPMENT
Cattle industry—Mr. Grisdale, 28, 29; Mr. Arkell, 31, 35; Mr. Campbell, 65, 69, 73, 74, 81, 84; Mr. Curry, 144, 153; Mr. McLean, 227, 230, 231, 234, 238.

DIFFERENTIAL
New York—See 'Shipping' under "Transportation" and 'Flour' under "Grain."

DISTRIBUTION
Economics of—See special heading.
Markets—See special heading.
Population, of—Mr. Amos, 684; Mr. Hamilton, 1005.
Producer to Consumer—Mr. Taylor, 44; Mr. Bulman, 55; Mr. Leitch, 514, 515.

DISTRICT REPRESENTATIVES
Dominion Government—Mr. Grant, 375; Mr. Toupin, 456.

DUMPING
Foreign goods—See heading under "Tariff."

ECONOMICS
Producing and distributing—Mr. Grant, 398, 401, 402; Mr. Toupin, 457, 460; Mr. Leitch, 514, 515, 539, 540; Mr. Hamilton, 1013; Mr. Bowman, 1118 to 1120.

EDUCATION
Agricultural—Mrs. McNaughton, 428 to 430; Mr. Edwards, 437; Mr. Toupin, 457; Mr. Ste. Marie, 623 to 625; Mr. Hamilton, 1062.
General—Mr. Grant, 394 to 396; Mr. Spence, 807, 815; Mr. Williams, 841; Mr. Gagne, 1046, 1047; Mr. Swanson, 1464.

ELEVATORS
Grain—Mr. Reid, 656, 660; Mr. Jackman, 707; Mr. Imrie, 1436 to 1441, 1443; Mr. Blatchford, 1446. See also "Storage."

EMBARGO
Australian Fruit—Mr. Bulman, 59, 60.
British Cattle—Mr. Grisdale, 11, 13, 14; Mr. Campbell, 65, 74, 75; Mr. Curry, 153; Mr. McLean, 231; Mr. Motherwell, 327, 328, 339; Mr. Somerville, 1545, 1546.

EMIGRATION
Canada, from—Mr. Bulman, 57; Mr. Fortier, 567, 569, 570; Mr. Deachman, 913, 914; Mr. Pirie, 948, 949; Mr. Gagne, 1048.

EQUIPMENT
Farm—See heading under "Farm."

EUROPE
Purchasing power of—Mr. Leitch, 128; Mr. Jackman, 720; Mr. Deachman, 915; Mr. Gagne, 1045; Mr. Swanson, 1449 to 1451, 1467.

EXCHANGE
Grain—Mr. Grant, 401, 402, 413; Mr. Jackman, 705 to 709.

EXPENDITURE
Committee—Mr. McMaster, 1821, 1822.
Farm—See special heading under "Farm."

EXPERIMENTAL FARMS
Assist fruit growers in B.C.—Mr. Taylor, 48.
Cost of Production on—Mr. Leitch, 101, 102; Mr. Reid, 661.
Labour on—Mr. Leitch, 104; Mr. Ste. Marie, 625.
Methods not practical—Mr. Leitch, 101 to 103; Mr. Reid, 661; Mr. Gagne, 1049, 1050.
Necessary—Mr. Leitch, 102; Mr. Hamilton, 1035, 1036.
O.A.C. system of accounting—Mr. Leitch, 91.
Services rendered, valuable—Mr. Hamilton, 1035, 1036; Mr. Gagne, 1049, 1050; Mr. Bowman, 1124.

EXPORT. See "Markets."

FACILITIES
Beef cattle, for handling in Canada—Mr. Somerville, 1545 to 1549.
Railway, in Western Canada—Mr. Spence, 796, 797, 807, 808, 810 to 813; Mr. Imrie, 1444; Mr. Blatchford, 1445 to 1449.

FAILURES
Crop—Mr. Grant, 376, 377.
Mercantile—Mr. Leitch, 515, 516.

FAMILIES
Labour of farm—Mr. Leitch, 101; Mr. Grant, 355, 356, 364, 370, 371, 375, 392 to 394; Mrs. McNaughton, 424, 425, 428; Mr. Toupin, 459, 460, 511, 512, 518; Mr. Ste. Marie, 604, 606, 616, 617; Mr. Pirie, 955, 956.
Size of—Mr. Leitch, 98; Mrs. McNaughton, 424; Mr. Toupin, 459; Mr. Ste. Marie, 616, 617; Mr. Gagne, 1049; Mr. Bowman, 1124; Mr. Dewar, 1370.
Social status, farm—Mr. Leitch, 97, 127; Mr. Grant, 359, 360, 365, 369 to 371, 376, 392 to 395, 397, 398; Mrs. McNaughton, 424 to 427; Mr. Toupin, 459; Mr. Leitch, 512, 515; Mr. Spence, 805, 808; Mr. Hamilton, 1048, 1049; Mr. Dewar, 1376. See also "Standard of Living."

FARM
Accounting systems—See "Accounting."
Automobiles—Mr. Grant, 394; Mrs. McNaughton, 424; Mr. Edwards, 440; Mr. Hamilton, 1024, 1032, 1033; Mr. Bowman, 1119.
Buildings, insurance on—Mr. Grant, 350; Mr. Dewar, 1370.
Buildings, value of—Mr. Leitch, 92, 94, 95, 97, 99, 102, 129, 130; Mr. Barton, 105, 106; Mr. Grant, 350, 360, 365; Mr. Toupin, 455; Mr. Sissons, 489; Mr. Leitch, 507, 508; Mr. Ste. Marie, 606, 608; Mr. Spence, 808; Mr. Williams, 824, 825, 827, 829; Mr. Dewar, 1369, 1370.
Capitalization—Mr. Grant, 364 to 369, 374, 379; Mr. Ste. Marie, 615, 616; Mr. Jackman, 719; Mr. Spence, 804, 805; Mr. Williams, 826, 827, 829; Mr. Hamilton, 1026; Mr. Dewar, 1369, 1370.
Deflation of products—Mr. Leitch, 91. See also under "Live Stock."
Equipment, insurance on—Mr. Grant, 350; Mr. Dewar, 1370.
Equipment, price of—Mr. Edwards, 447.
Equipment, purchase of—Mr. Fortier, 576, 577; Mr. Williams, 826, Mr. Bradshaw, 1234 to 1284; Mr. Swanson, 1453 to 1455.
Equipment, standardization of—Mr. Bradshaw, 1209.
Equipment, value of—Mr. Leitch, 92; Mr. Grant, 355, 360, 365, 397, 401; Mr. Sissons, 494; Mr. Leitch, 508, 532, 534;

FARM—*Con.*
Mr. Fortier, 568, 576; Mr. Ste. Marie, 606; Mr. Ward, 627, 628; Mr. Reid, 647, 648, 657; Mr. Amos, 675 to 678; Mr. Williams, 819, 825, 829; Mr. Pirie, 948, 949, 954; Mr. Bowman, 1117, 1121; Mr. Bradshaw, 1233 to 1284; Mr. Dewar, 1369 to 1371, 1386; Mr. Swanson, 1453, 1456, 1457; Mr. Short, 1471 to 1490; Mr. Bradshaw, 1490 to 1515; Mr. Evans, 1551, 1552; Mr. Bradshaw, 1552, 1553.
Expenditure—Mr. Leitch, 95 to 100, 124 to 126; Mr. Grant, 364 to 367, 370, 374, 376; Mr. Leitch, 507, 508, 512; Mr. Williams, 827; Mr. Hamilton, 1026, 1035.
Experimental—See heading "Experimental Farms."
Fertility—Mr. Hamilton, 1017, 1018; Mr. Gagne, 1044, 1045.
Foods—Mr. Leitch, 94, 95, 97, 98, 101.
Handicaps in Quebec—Mr. Toupin, 451, 452.
Hospitals, distance from—Mrs. McNaughton, 424.
Houses, size and value of—Mr. Leitch, 92, 94, 95, 97, 99; Mr. Grant, 348, 351; Mrs. McNaughton, 424, 425; Mr. Sissons, 489; Mr. Leitch, 507, 508; Mr. Spence, 808; Mr. Dewar, 1369.
Housework—Mr. Leitch, 97, 100; Mrs. McNaughton, 424, 425, 430.
Income—Mr. Leitch, 95; Mr. Grant, 364 to 366, 370, 373, 374; Mr. Cumming, 476; Mr. Leitch, 508 to 512; Mr. Ste. Marie, 614 to 616, 621; Mr. Hamilton, 1026.
Implements—See 'Equipment' under "Farm."
Inventory—Mr. Grant, 364.
Investments, interest on—Mr. Leitch, 92, 94, 95, 97, 99; Mr. Barton, 108, 110; Mr. Leitch, 125, 129, 130; Mr. Scripture, 308; Mr. Grant, 350, 351, 354, 355, 359, 360, 365, 366, 370, 373, 375; Mr. Toupin, 458, 459; Mr. Sissons, 504; Mr. Leitch, 508 to 512; Mr. Ste. Marie, 606, 611, 626; Mr. Reid, 658, 662; Mr. Williams, 819, 820, 824, 825; Mr. Dewar, 1370.
Labour compared with Civil Service—Mr. Fortier, 574.
Labour costs—Mr. Edwards, 447; Mr. Cumming, 468; Mr. Leitch, 507, 508, 510, 512, 518, 531; Mr. Stonehouse, 593, 594; Mr. Ste. Marie, 606, 625; Mr. Reid, 654 to 657; Mr. Amos, 675, 679; Mr. Spence, 806, 807, 812, 813; Mr. Williams, 819, 823, 833; Mr. Pirie, 948, 949, 953, 955, 956; Mr. Hamilton, 1026; Mr. Dewar, 1374, 1376, 1385; Mr. Swanson, 1449; Mr. Newman, 1630, 1631.
Labour, domestic—Mrs. McNaughton, 430.
Labour, experimental—Mr. Leitch, 104; Mr. Ste. Marie, 625.
Labour, family—Mr. Leitch, 101; Mr. Grant, 355, 356, 364, 370, 371, 375, 392

FARM—*Con.*

to 394; Mrs. McNaughton, 424, 425, 428; Mr. Toupin, 459, 460, 511, 512, 518; Mr. Ste. Marie, 604, 606, 616, 617; Mr. Pirie, 955, 956.

Labour, hours of—Mr. Leitch, 99, 100, 102, 128; Mr. Grant, 352 to 354, 394, 396; Mr. Leitch, 511, 524, 536, 537; Mr. Fortier, 567, 569; Mr. Ste. Marie, 617, 625; Mr. Hamilton, 1016; Mr. Houson, 1758, 1759.

Labour, Ontario—Mr. Leitch, 97, 101, 102, 507, 508, 512, 518, 531, 532, 534, 537.

Labour, owner's—Mr. Leitch, 92 to 94, 96, 97, 100 to 103; Mr. Barton, 104; Mr. Leitch, 124, 125, 130; Mr. Grant, 355 to 357, 394; Mr. Edwards, 440; Mr. Leitch, 507, 511, 512, 518, 524, 531; Mr. Williams, 819.

Labour, urban contrasted with—Mrs. McNaughton, 424, 425, 428, 442, 447; Mr. Hughes, 559, 560; Mr. Fortier, 567, 569; Mr. Stonehouse, 593; Mr. Amos, 674, 679, 680; Mr. Spence, 813; Mr. Deachman, 931; Mr. Hamilton, 1016.

Life, urban contrasted with—Mr. Leitch, 513 to 515.

Management—Mr. Grant, 356, 357, 363, 366, 371; Mr. Leitch, 509, 510.

Products, domestic market for—Mr. Cumming, 476 to 478, 486.

Products, overproduction of—Mr. Leitch, 128; Mr. Grant, 398; Mr. Leitch, 516; Mr. Fortier, 570, 573, 574; Mr. Stonehouse, 594.

Products, prices—Mr. Grant, 398.

Products, purchasing power—Mr. Hamilton, 1033; Mr. Bradshaw, 1504, 1507, 1508.

Products, standardization of—Mr. Hamilton, 1037.

Soil drifting—Mr. Williams, 832, 833.

Supplies—Mr. Leitch, 97 to 101. See also 'Food' under "Farm."

Surveys—Mr. Leitch, 91, 92, 101; Mr. Grant, 407; Mrs. McNaughton, 424; Mr. Toupin, 450, 457, 458; Mr. Leitch, 538; Mr. Ste. Marie, 602 to 606, 609; Mr. Spence, 797, 798; Mr. Williams, 817, 820, 821, 837; Mr. Hamilton, 1036, 1038; Mr. Gagne, 1046, 1047; Mr. Hamilton, 1059.

Surveys, methods followed—Mr. Leitch, 94, 101; Mr. Grant, 347, 357, 364, 377, 383, 384, 407; Mrs. McNaughton, 425, 427 to 430; Mr. Toupin, 458; Mr. Leitch, 538; Mr. Ste. Marie, 602 to 606, 609, 610; Mr. Hamilton, 1016, 1036.

Water—Mrs. McNaughton, 424, 425; Mr. Hamilton, 1034.

Wives—Mr. Leitch, 97, 100, 101; Mr. Grant, 370, 371, 393, 406; Mrs. McNaughton, 424 to 428, 430; Mr. Williams, 827; Mr. Dewar, 1376.

FARMS

Saskatchewan, number of—Mr. Hamilton, 1006.

Size of—Mr. Leitch, 131; Mr. Grant, 359, 360, 363, 364, 371, 378, 379; Mrs. McNaughton, 424; Mr. Edwards, 435, 436, 440; Mr. Toupin, 450; Mr. Leitch, 512; Mr. Bourbeau, 580; Mr. Ste. Marie, 616, 618; Mr. Reid, 647; Mr. Spence, 805; Mr. Williams, 818, 824 to 827, 829; Mr. Pirie, 949, 956; Mr. Hamilton, 1026; Mr. Bowman, 1121 to 1123; Mr. Dewar, 1369 to 1371, 1380; Mr. Newman, 1630.

FARMERS

California vacations—Mr. Grant, 405.

Government relief to—Mr. Spence, 847 to 849.

Immigrants not necessarily—Mr. Bulman, 58; Mr. Cumming, 486; Mr. Williams, 827.

Living costs—Mr. Leitch, 94, 97, 100; Mr. Grant, 376; Mrs. McNaughton, 426; Mr. Toupin, 459; Mr. Sissons, 494; Mr. Leitch, 510 to 512; Mr. Gagne, 1045.

Morale—Mr. Williams, 828.

Tariff descriminates against—Mr. Edwards, 442, 444, 445; Mr. Sissons, 506; Mr. Leitch, 535, 536; Mr. Fortier, 570, 571, 574, 575; Mr. Ward, 627; Mr. Jackman, 710; Mr. Hamilton, 1061.

FARMING

Business, as a—Mr. Bulman, 54, 56, 58; Mr. Grant, 362, 374 to 377, 388, 392; Mr. Toupin, 450; Mr. Sissons, 493, 504; Mr. Leitch, 512, 513; Mr. Fortier, 568; Mr. Stonehouse, 598; Mr. Ste. Marie, 603, 604; Mr. Jackman, 695, 719; Mr. Spence, 810, 811; Mr. Williams, 817, 818, 823, 826, 829, 830; Mr. Hamilton, 1029; Mr. Bowman, 1116, Mr. Dewar, 1386, 1387. See also "Profits" and "Losses."

Co-operative—Mr. Dewar, 1371.

Credit necessary—Mr. Toupin, 456. See also "Rural Credits."

Field husbandry in Quebec—Mr. Toupin, 451, 457.

Methods—Mr. Leitch, 101, 102, 104; Mr. Grant, 362, 369, 370, 378, 382, 404, 405; Mr. Toupin, 449 to 451, 456, 460; Mr. Reid, 661; Mr. Williams, 832, 833; Mr. Gagne, 1049, 1050; Mr. Bowman, 1117 to 1131.

Mixed, advocated—Mr. Leitch, 134; Mr. Hamilton, 1034, 1035.

Mixed, Alberta—Mr. Imrie, 1444.

Mixed, Apples—Mr. Scripture, 299, 307; Mr. Cumming, 470; Mr. Dewar, 1387.

Mixed, definition of—Mr. Grant, 405, 406; Mr. Reid, 647; Mr. Hamilton, 1035.

Mixed, Manitoba—Mr. Grant, 366, 368, 369, 374, 378, 380, 382, 405 to 407.

FARMING—*Con.*

Mixed, New Brunswick—Mr. Barton, 120, 121; Mr. Pirie, 954, 955.

Mixed, Ontario—Mr. Leitch, 96, 100; Mr. Barton, 121; Mr. Leitch, 124, 131, 137; Mr. Sissons, 487, 495, 519; Mr. Houson, 1754.

Mixed, Poultry—Mr. Leitch, 519 to 521.

Mixed, Prince Edward Island—Mr. Dewar, 1369.

Mixed, Quebec—Mr. Barton, 112, 113; Mr. Toupin, 450; Mr. Fortier, 577; Mr. Ste. Marie, 601, 604; Mr. Gagne, 1046.

Mixed, Saskatchewan—Mr. Reid, 647, 648; Mr. Spence, 795, 796, 798, 808, 811; Mr. Williams, 831 to 833; Mr. Hamilton, 1035; Mr. Swanson, 1452, 1453, 1459.

Mixed, success, necessary for—Mr. Barton, 112, 113; Mr. Leitch, 139; Mr. Grant, 362, 378; Mr. Toupin, 456; Mr. Spence, 808, 809; Mr. Williams, 832, 833.

FARMING

Success, not a commercial—Mr. Barton, 124; Mr. Leitch, 127, 128, 139; Mr. Grant, 362, 374, 375, 394; Mr. Sissons, 504, 505; Mr. Leitch, 512, 513; Mr. Hamilton, 1029.

Tenant system—Mr. Williams, 824 to 826.

FEED

Cattle, Dairy—Mr. Barton, 113, 118 to 121; Mr. Leitch, 130, 131; Mr. Thompson, 295; Mr. Grant, 375; Mr. Toupin, 449, 451 to 454, 457, 463, 464. Mr. Cumming, 474, 475; Mr. Sissons, 493; Mr. Leitch, 522, 525, 526; Mr. Fortier, 568; Mr. Stonehouse, 592, 597; Mr. Spence, 809; Mr. Newman, 1623, 1624.

Hog—Mr. Barton, 120 to 122, 137; Mr. McLean, 242 to 244, 250, 251; Mr. Thompson, 290, 291; Mr. Scripture, 301; Mr. Toupin, 449, 451, 452; Mr. Leitch, 530, 531; Mr. Spence, 809.

Horses, for—Mr. Grant, 354, 361; Mr. Hamilton, 1026.

Live stock, generally—Mr. Leitch, 92, 93, 96, 101, 102; Mr. Thompson, 295; Mr. Toupin, 452.

Sheep, for—Mr. Cumming, 483 to 485.

FEEDER. See under "Cattle" and "Stores."

FERTILIZER

Amount used—Mr. Pirie, 949; Mr. Dewar, 1373, 1385; Mr. Hatfield, 1414, 1420; Mr. Fairbairn, 1658.

Costs—Mr. Cumming, 466, 467; Mr. Leitch, 507, 508, 517, 524, 534, 535; Mr. Caldwell, 766 to 775; Mr. Pirie, 948 to 950; Mr. Gagne, 1046; Mr. Dewar, 1372 to 1374, 1385; Mr. Hatfield, 1414, 1418, 1419; Mr. Fairbairn, 1658; Mr. Dougherty, 1806, 1807.

FERTILIZER—*Con.*

Duty on—Mr. Pirie, 949; Mr. Hatfield, 1418, 1419; Mr. Fairbairn, 1658.

Rail rates on—Mr. Cumming, 466, 467; Mr. Gagne, 1045, 1046; Mr. Dewar, 1373, 1374; Mr. Fairbairn, 1658.

FLAX. See heading under "Grain."

FOOD

Farm—Mr. Leitch, 94, 95, 97, 98, 101.

FORDNEY. See heading under "Tariff."

FOREST PRODUCTS

Lumber, ocean rate on—Mr. Doherty, 162; Mr. Cunningham, 188, 193 to 195, 201, 202, 214.

Maple products, express rates on—Mr. McMaster 921, 922; Mr. Trowern, 1564, 1565.

Maple Products, imitations of—Mr. Trowern, 1555 to 1559, 1565, 1567; Mr. Kelly, 1567 to 1569.

Maple Products, Price of—Mr. Trowern, 1555, 1556, 1564.

Pulp, ocean rate on—Mr. Cunningham, 188, 189.

FRANCE

Fruit market—Mr. Scripture, 299.

FRUIT

Apples, barrels, cost of—Mr. Scripture, 303; Mr. Chase, 318, 327; Mr. Cumming, 466, 472, 473, 504, 534, 535.

Apples, British Columbia—Mr. Taylor, 46; Mr. Bulman, 54.

Apples, cheapest fruit—Mr. Scripture, 305.

Apples, commission on sales of—Mr. Scripture, 301, 303, 304; Mr. Chase, 326; Mr. Sissons, 496.

Apples, competition among buyers—Mr. Scripture, 299.

Apples, consumers' price—Mr. Taylor, 40, 53; Mr. Bulman, 55, 62, 63; Mr. Scripture, 301, 302, 304 to 306, 308 to 310; Mr. Chase, 313; Mr. Sissons, 496, 500, 501, 503; Mr. Sales, 601; Mr. Sly, 760, 761.

Apples, cost of production—Mr. Taylor, 46; Mr. Bulman, 54; Mr. Scripture, 308, 309; Mr. Chase, 314, 326; Mr. Cumming, 465, 466, 469, 470, 472; Mr. Leitch, 534; Mr. Dewar, 1387; Mr. Fairbairn, 1639, 1640.

Apples, domestic market for—Mr. Scripture, 300, 302, 303; Mr. Chase, 325, 326; Mr. Sissons, 499, 503.

Apples, grading of—Mr. Scripture, 300 to 302, 306, 309, 310.

Apples, irrigation of, in B.C.—Mr. Taylor, 47.

Apples, loading costs—Mr. Scripture, 303; Mr. Chase, 325.

Apples, losses—Mr. Scripture, 299, 300, 302; Mr. Cumming, 465; Mr. Sissons, 501.

FRUIT—*Con.*

Apples, marketing of—Mr. Taylor, 47, 48; Mr. Curry, 145; Mr. Scripture, 301 to 306; Mr. Sissons, 501, 502.

Apples, mixed farms, on—Mr. Scripture, 299, 307; Mr. Cumming, 470; Mr. Dewar, 1387.

Apples, ocean rate on—Mr. Curry, 145, 149; Mr. Nicoll, 156 to 158; Mr. Cunningham, 167, 168, 192, 209, 212 to 214; Mr. Scripture, 299, 301, 308, 309; Mr. Chase, 312 to 317, 325 to 327; Mr. Cumming, 465; Mr. McMaster, 1004, 1005.

Apples, orchard pests affecting—Mr. Taylor, 49, 50; Mr. Scripture, 303, 307.

Apples, orchards, size of—Mr. Chase, 312; Mr. Sissons, 496, 500; Mr. Leitch, 534; Mr. Dewar, 1387.

Apples, packages—Mr. Cunningham, 192; Mr. Scripture, 302, 309 to 311; Mr. Cumming, 469; Mr. Sissons, 496, 497, 500, 502 to 504; Mr. Fairbairn, 1637, 1640, 1642. See also "Barrels" under this heading.

Apples, packing—Mr. Taylor, 38, 47, 48, 51, 53; Mr. Scripture, 303, 310; Mr. Chase, 326.

Apples, picking costs—Mr. Scripture, 303; Mr. Chase, 327.

Apples, producers' price—Mr. Bulman, 62, 63; Mr. Scripture, 301, 303, 307; Mr. Chase, 325 to 327; Mr. Cumming, 464, 465, 468, 472, 473; Mr. Sissons, 496, 500, 501; Mr. Dewar, 1387; Mr. Fairbairn, 1637, 1638.

Apples, production—Mr. Taylor, 52; Mr. Cumming, 465; Mr. Leitch, 534, 535.

Apples, products of—Mr. Scripture, 307; Mr. Cumming, 467.

Apples, profits in distribution—Mr. Scripture, 303 to 305; Mr. Sissons, 496.

Apples, qualities demanded by different markets—Mr. Bulman, 55, 56; Mr. Scripture, 302, 309, 310; Mr. Chase, 325; Mr. Cumming, 467 to 469; Mr. Sissons, 499, 500.

Apples, quantity marketed—Mr. Cumming, 465, 469.

Apples, rail rates on—Mr. Scripture, 299 to 304, 308; Mr. Chase, 318, 319, 325 to 327; Mr. Cumming, 465, 466, 469, 470; Mr. Sissons, 501, 502.

Apples, spraying costs—Mr. Taylor, 47, 49; Mr. Scripture, 303; Mr. Cumming, 466; Mr. Leitch, 534; Mr. Fairbairn, 1640.

Apples, spread in price of—Mr. Bulman, 62; Mr. Scripture, 302 to 305, 310; Mr. Sissons, 500 to 502; Mr. Newman, 1588.

Apples, storage of—Mr. Sissons, 499.

Apples, United States competition—Mr. Taylor, 52.

Apples, varieties produced—Mr. Taylor, 49, 50; Mr. Scripture, 302; Mr. Dewar, 1387; Mr. Fairbairn, 1650.

Apples, warehouses—Mr. Scripture, 307; Mr. Chase, 317 to 319, 327; Mr. Cumming, 468, 469.

FRUIT—*Con.*

Apples, wholesalers' charges on—Mr. Scripture, 303 to 305; Mr. Sissons, 496, 502.

Apples, yield per acre—Mr. Dewar, 1387, 1388.

Australia, embargo on—Mr. Bulman, 59, 60.

Australia, market—Mr. Taylor, 52; Mr. Bulman, 55, 60.

Baskets for—Mr. Sissons, 496, 503, 504, 506; Mr. Fairbairn, 1641, 1642, 1654 to 1656.

British Columbia, industry—Mr. Taylor, 37; Mr. Sissons, 499, 500.

British Columbia production—Mr. Taylor, 45.

Canned, ocean rate on—Mr. Curry, 149.

Cherries—Mr. Sissons, 496, 497.

China market—Mr. Taylor, 52; Mr. Bulman, 54.

Cold storage—Mr. Taylor, 50; Mr. Bulman, 55, 58, 59; Mr. Sissons, 499; Mr. Fairbairn, 1649.

Consigned—Mr. Taylor, 38; Mr. Scripture, 301; Mr. Chase, 326; Mr. Sissons, 496.

Consumer price for—Mr. Taylor, 39, 43, 45, 52, 53; Mr. Bulman, 56, 60, 62, 63; Mr. Sissons, 496; Mr. Fairbairn, 1656 to 1658.

Control of distribution—Mr. Taylor, 44; Mr. Bulman, 55.

Co-operative marketing—Mr. Taylor, 41, 43, 51; Mr. Bulman, 55, 60; Mr. Scripture, 306, 307, 311; Mr. Chase, 312, 324, 327; Mr. Sissons, 499, 501, 504; Mr. Fairbairn, 1634 to 1637, 1647.

Costs, British Columbia—Mr. Taylor, 45, 47; Mr. Bulman, 57; Exhibit No. 200, Pages 1888 to 1913.

Domestic market for—Mr. Taylor, 38; Mr. Bulman, 63.

France, market—Mr. Scripture, 299.

Gluts in cities—Mr. Taylor, 39; Mr. Bulman, 60; Mr. Sissons, 497, 499; Mr. Fairbairn, 1646.

Great Britain, market—Mr. Taylor, 52; Mr. Bulman, 56, 58, 59; Mr. Curry, 145; Mr. Scripture, 299, 310; Mr. Chase, 312 to 314, 326; Mr. Cumming, 465; Mr. Sissons, 500.

Growers assisted by experimental farms—Mr. Taylor, 48.

Grower to retailer—Mr. Taylor, 39.

Growing a specialty—Mr. Leitch, 139; Mr. Scripture, 299, 307.

Irrigation costs—Mr. Taylor, 47; Mr. Bulman, 58, 60.

Japan market—Mr. Bulman, 60.

Losses by distributors—Mr. Taylor, 39; Mr. Scripture, 302, 304.

Losses by growers—Mr. Taylor, 38, 40; Mr. Bulman, 56, 57; Mr. Scripture, 299, 308; Mr. Chase, 314; Mr. Sissons, 496; Mr. Fairbairn, 1637 to 1641.

FRUIT—*Con.*

New Zealand market—Mr. Bulman, 55.
Ocean rate on canned—Mr. Curry, 145; Mr. Nicoll, 157; Mr. Cunningham, 167.
Oriental labour in industry—Mr. Taylor, 54.
Panama Canal Route for—Mr. Bulman, 59.
Pears, packing costs in B.C.—Mr. Taylor, 38.
Pears affected by fire blight—Mr. Taylor, 49.
Picking costs of—Mr. Taylor, 51; Mr. Sissons, 496; Mr. Fairbairn, 1642, 1653.
Pools—Mr. Bulman, 62.
Precooling of—Mr. Taylor, 50; Mr. Fairbairn, 1641, 1650.
Producers' price—Mr. Taylor, 43; Mr. Bulman, 62, 63; Mr. Sissons, 496, 497; Mr. Fairbairn, 1656, 1657.
Production—Mr. Bulman, 54, 55; Mr. Scripture, 301 to 303, 306; Mr. Sissons, 496.
Profits in growing—Mr. Taylor, 49; Mr. Bulman, 59; Mr. Leitch, 139.
Prunes—Mr. Taylor, 39.
Rail rates on—Mr. Taylor, 51; Mr. Bulman, 61; Mr. Scripture, 299 to 302; Mr. Fairbairn, 1642 to 1651, 1656 to 1658; See also "Transportation" and "Apples."
Sales tax on—Mr. Taylor, 51.
Scandinavia market—Mr. Taylor, 52; Mr. Bulman, 55; Mr. Scripture, 299.
South Africa market—Mr. Taylor, 52; Mr. Bulman, 55; Mr. Scripture, 299, 310.
Spraying, costs of—Mr. Taylor, 49; Mr. Sissons, 496.
Strawberries, consigned from B.C.—Mr. Taylor, 40.
Strawberries, cost of producing—Mr. Dewar, 1388, 1390; Mr. Fairbairn 1651 to 1653, 1658.
Strawberries, market for—Mr. Dewar, 1389; Mr. Fairbairn, 1654, 1660.
Strawberries, price of—Mr. Dewar, 1388, 1389; Mr. Fairbairn, 1651, 1652.
Strawberries, United States competition—Mr. Taylor, 52.
Strawberries, yield per acre—Mr. Dewar, 1388; Mr. Fairbairn, 1651, 1654.
Tariff on—Mr. Bulman, 60.
Transportation costs of—Mr. Taylor, 51; Mr. Scripture, 303; Mr. Sissons, 496.
United States competition in—Mr. Taylor, 43, 51, 52.
United States market—Mr. Taylor, 52, 53; Mr. Bulman, 56, 60, 61.

FURNESS WITHY LINES

Shipping—Mr. Campbell, 74 to 76, 79, 85; Mr. Curry, 144, 149, 150; Mr. Nicoll, 154 to 161; Mr. Cunningham, 189, 190, 193, 207, 221 to 223; Mr. Ledingham, 261; Mr. Chase, 324, 325; Mr. Hatfield, 1391 to 1393, 1409.

FUTURES

Grain, trading in—Mr. Jackman, 707, 708

GEOGRAPHICAL LIMITATIONS

Cause high costs—Mr. Edwards, 442.

GLUTS. See under "Fruit" and "Markets."

GOVERNMENT. See also "Canada" and "Canadian."

Agricultural surveys—See "Surveys."
Aid to agriculture—Mr. Robinson, 140 to 142, 179 to 182; Mr. Grant, 376, 392; Mr. Leitch, 516; Mr. Ste. Marie, 623, 624; Mr. Williams, 839; Mr. Hamilton, 1036, 1062, 1063.
Aid to co-operative organizations—Mr. Bulman, 54; Mr. Motherwell, 327, 328; Mr. Grant, 411, 412, 417; Mrs. McNaughton, 431; Mr. Jackman, 694; Mr Spence, 815, 816; Mr. Gagne, 1049; Mr MacIntosh, 1793 to 1795.
Canadian Mercantile Marine—See 'Shipping' under "Transportation."
Cereal industries protest to—Mr. Cunningham, 203.
Certified seed potatoes—Mr. Pirie, 956 Mr. Dewar, 1371 to 1379, 1384; Mr Estey, 1429.
District representatives—Mr. Grant, 376, Mr. Toupin, 456.
Employees in Great Britain—Mr. Scripture, 301.
Grain, seed advances—Mr. Bowman, 1117.
Homestead policy—Mr. Spence, 797.
Information on marketing—Mr. Leitch, 103; Mr. Light, 328, 329, 332 to 340, 408 to 410; Mr. Leitch, 516; Mr. Jackman, 698, 700 to 705, 709; Mr. Hamilton, 1036; Mr. Gagne, 1047, 1048; Mr. Hatfield, 1416; Mr. MacIntosh, 1792 to 1795.
Legislation *re* Agriculture—Mr. Leitch, 139, 140, 516.
Potato shippers, assistance to—Mr. Ledingham, 262, 263, 265; Mr. Pirie, 944, 946; Mr. Dewar, 1384; Mr. Hatfield, 1408 to 1410.
Relief to settlers—Mr. Spence, 847 to 849.
Trade Commissioners—Mr. Hatfield, 1416, 1417.
Transportation, assistance to—Mr. Watts, 270, 271; Mr. Chase, 318, 319.

GRADING

Apples—Mr. Scripture, 300 to 302, 306, 309, 310.
Benefits of—Mr. MacIntosh, 1794 to 1797.
Butter—Mr. Bourbeau, 581 to 583, 588; Mr. Spence, 816; Mr. Ruddick, 1580 to 1585.
Cheese—Mr. Leitch, 136; Mr. Bourbeau, 581, 583, 584, 588; Mr. Ruddick, 1580 to 1585.
Cream—Mr. Leitch, 132; Mr. Henry, 547, 550, 551; Mr. Bourbeau, 580 to 582, 584, 587; Mr. Stonehouse, 593.

GRADING—*Con.*

Eggs—Mr. Grant, 411 to 413; Mrs. McNaughton, 431; Mr. MacIntosh, 1797.
Grain—Mr. Imrie, 1437, 1439, 1440, 1443.
Hogs—Mr. McLean, 243, 244.
Potatoes—Mr. Estey, 1430.
Poultry—Mr. Williams, 837, 838.
Quality—See special heading.

GRAIN

Barley, cost of producing—Mr. Leitch, 507 to 509; Mr. Newman, 1628.
Barley, price of—Mr. Edwards, 446; Mr. Leitch, 508, 509; Mr. Amos, 683.
Barley, Production—Mr. Hamilton, 1006, 1010.
Barley, yield per acre—Mr. Leitch, 507 to 509, 518; Mr. Hamilton, 1006, 1007; Mr. Newman, 1629.
British Columbia, demand for—Mr. Bulman, 63.
Brokers—Mr. Cunningham, 195, 196; Mr. Watts, 279; See also "Grain Exchange."
Cattle, for beef—Mr. Barton, 108; Mr. McLean, 236.
Cereals, ocean rate on—Mr. Cunningham, 203, 204.
Co-operative marketing of—Mr. King 964; Mr. Hamilton, 1060.
Corn, growing of—Mr. Spence, 805, 806, 809, 810, 815.
Cuba market for—Mr. Hatfield, 1417.
Elevators—Mr. Imrie, 1436, 1437 to 1441, 1443; Mr. Blatchford, 1446. (See also "Storage."
Elevator charges—Mr. Reid, 656, 660; Mr. Jackman, 707; Mr. Imrie, 1439. See also "Storage." See also exhibit No. 223, pages 1949 to 2193.
Exchange as marketing agency—Mr. Grant, 401, 402, 413; Mr. Jackman, 705 to 709.
Exchange statistics—Mr. Grant, 401, 402.
Feeding versus marketing—Mr. McLean, 242; Mr. Spence, 806.
Flax, price of—Mr. Edwards, 446.
Flax, production—Mr. Hamilton, 1006, 1009, 1010.
Flax, yield per acre—Mr. Hamilton, 1006, 1007.
Flour, Domestic market—Mr. Cornell, 174 to 176; Mr. Watts, 273, 274, 280, 284 to 286, 292 to 295; Mr. Reid, 666, 667.
Flour, Export market—Mr. Cornell, 174 to 176; Mr. Watts, 269, 270 to 275, 279, 280, 283 to 286; Mr. Thompson, 289, 290, 293 to 296; Mr. Watts, 297; Mr. Reid, 665, 666; Mr. Hatfield, 1417; Mr. Somerville, 1548, 1549.
Flour, grades of—See "Domestic market for."
Flour Millers' Associations—Mr. Cornell, 172; Mr. Watts, 269, 278, 279, 288.
Flour, New York differential on—Mr. Curry, 146 to 148; Mr. Nicoll, 154, 155; Mr. Doherty, 161; Mr. Cunningham, 165; Mr. Cornell, 172 to 175, 177, 178;

GRAIN—*Con.*

Mr. Cunningham, 190, 191, 206, 215, 220, 221; Mr. Watts, 270, 272, 275, 277, 278; Mr. Thompson, 289.
Flour, ocean rate on—Mr. Curry, 143, 145 to 148; Mr. Doherty, 163; Mr. Cornell, 172 to 178; Mr. Cunningham, 185, 188, 190, 191, 196, 201, 203, 204, 206, 211 to 213, 215, 219 to 221; Mr. Watts, 269 to 272, 275, 276, 286; Mr. Thompson, 289, 292, 295; Mr. Watts, 298.
Flour, price of—Mr. Cornell, 175, 176, 279, 280, 283 to 286, 288, 292 to 295, 297; Mr. Watts, 298; Mr. Edwards, 446, 447; Mr. Reid, 666, 667; Mr. Blatchford, 1447.
Flour, rail rates on—Mr. Watts, 272 to 274, 276, 282, 286; Mr. Thompson, 295, 296; Mr. Watts, 298.
Flour, United States competition—Mr. Cornell, 174 to 176; Mr. Watts, 278, 279; Mr. Thompson, 289, 290, 295; Mr. Watts, 299.
Flour, United States from Canadian wheat—Mr. Cornell, 175; Mr. Thompson, 289, 290.
Flour, United States, importation of—Mr. Watts, 278, 279.
Futures, trading in—Mr. Jackman, 707, 708.
Grading of—Mr. Imrie, 1437, 1439, 1440, 1443.
Great Britain market—Mr. Cunningham, 106, 211, 212; Mr. Thompson, 289, 291; Mr. Reid, 650, 651.
Growing necessary for pioneers—Mr. Grant, 382; Mr. Spence, 808, 809; Mr. Hamilton, 1035; Mr. Swanson, 1453.
Lakes rates on—Mr. Edwards, 446; Mr. Hamilton, 1037, 1060; Mr. Imrie, 1432 to 1434, 1438.
Losses to growers—Mr. Leitch, 509 to 511; Mr. Reid, 660; Mr. King, 956.
Marketing, early—Mr. Grant, 356; Mr. Imrie, 1432.
Marketing versus feeding—Mr. McLean, 242; Mr. Spence, 806.
Milling in transit, rail rate—See "Flour, rail rates on."
Milling, profits—Mr. Sissons, 495.
Mill products—Mr. Watts, 272 to 275, 281, 284 to 286; Mr. Thompson, 289, 290, 295, 297; Mr. Watts, 298; Mr. Cumming, 475, 486, 487; Mr. Sissons, 495; Mr. Leitch, 525 to 527; Mr. Cumming, 540, 541; Mr. Reid, 665 to 667; Mr. Benson, 893 to 895; Mr. Blatchford, 1446, 1447.
Mill products, export of—Mr. Watts, 272 to 275, 281, 284, 285; Mr. Thompson, 289, 290, 295, 297; Mr. Cumming, 540, 541; Mr. Blatchford, 1446.
Mill products, United States market for—Mr. Leitch, 526, 527.
Millers' purchases of—Mr. Watts, 279 to 281, 283.

GRAIN—*Con.*

Mixed, cost of producing—Mr. Leitch, 508, 509.
Mixed, price of—Mr. Leitch, 508, 509.
Mixed, Yield per acre of—Mr. Leitch, 508, 509.
Oats, cost of producing—Mr. Leitch, 507 to 509.
Oats, importation into Canada—Mr. Thompson, 293.
Oats, price of—Mr. McLean, 241; Mr. Edwards, 446; Mr. Leitch, 508, 509; Mr. Reid, 655; Mr. Amos, 683; Mr. Hamilton, 1020, 1026.
Oats, production—Mr. Hamilton, 1006, 1008, 1010.
Oats, yield per acre—Mr. Grant, 360; Mr Leitch, 508, 509; Mr. Hamilton, 1006, 1007.
Oatmeal, ocean rate on—Mr. Curry, 176.
Ocean rates on—Mr. Curry, 145; Mr. Doherty, 162, 163; Mr. Cornell, 174, 176 to 178; Mr. Cunningham, 188, 192, 193, 195 to 198, 201 to 204, 206, 210, 211 to 213, 224; Mr. Watts, 269 to 272, 275, 276, 286, 287, 289; Mr. Thompson, 292; Mr. Watts, 298; Mr. Swanson, 1451, 1452.
Ontario, price of—Mr. Leitch, 130; Mr. Watts, 280.
Orient, trade with the—Mr. Imrie, 1442.
Production—Mr. Hamilton, 1006.
Profits in—Mr. McLean, 238; Mr. Grant, 360, 366; Mr. Leitch, 510, 511.
Rail rates on—Mr. Arkell, 35; Mr. Watts, 272, 273, 276, 281 to 283, 290; Mr. Thompson, 295, 296; Mr. Light, 334; Mr. Cumming, 475, 485; Mr. Reid, 650, 651; Mr. Hamilton, 1037; Mr. Imrie, 1433 to 1438, 1441; Mr. Blatchford, 1446 to 1448; Mr. Swanson, 1451, 1452.
Routes—Mr. Imrie, 1432 to 1439.
Rye—Mr. Hamilton, 1009, 1010.
Seed advances by Government—Mr. Bowman, 1117.
Storage of—Mr. Jackman, 707; Mr. Sly, 761; Mr. Spence, 814. See also "Elevators."
Swine, feed for—Mr. McLean, 242, 243 250, 291; Mr. Toupin, 451, 452.
Threshing costs—Mr. Grant, 355, 356; Mr. Edwards, 447; Mr. Leitch, 507, 508, 518, 519; Mr. Reid, 655, 656; Mr. Amos, 674, 675; Mr. Williams, 824; Mr. Hamilton, 1026.
Trade, a national matter—Mr. Caldwell, 5.
Trade, Royal Commission to inquire into—Pages 2 to 6, 13, 87 to 90· Mr. Grant, 402; Mr. Hamilton, 1037.
Twine, binder—Mr. Grant, 355; Mr Leitch, 507, 508; Mr. Reid, 655; Mr. Hamilton, 1026.
United States competition—Mr. Cunningham, 196; Mr. Imrie, 1442.
United States market—Mr. Imrie, 1436; Mr. MacIntosh, 1783.
United States market for products—Mr. Leitch, 526, 527.

GRAIN—*Con.*

Varieties suitable for certain districts—Mr. Williams, 836, 837.
Western Canada, principal crop in—Mr. Grant, 405, 406; Mr. Hamilton, 1006.
Wheat, Canadian Board—Mr. Watts, 271, 273; Mr. Edwards, 445; Mr. Sly, 761; Mr. Hamilton, 1061; Mr. Imrie, 1435; Mr. Swanson, 1470.
Wheat, Canadian milled in United States—Mr. Cornell, 175; Mr. Thompson, 289, 290. See also "United States market for Grain."
Wheat, cost of producing—Mr. Grant, 347 to 362, 365 to 368, 376, 399, 404, 405; Mr. Edwards, 438; Mr. Leitch, 507 to 509; Mr. Reid, 650, 651, 654, 655, 658, 661 to 663; Mr. Deachman, 934; Mr. Hamilton, 1016, 1026, 1027.
Wheat, domestic market—Mr. Grant, 405; Mr. Imrie, 1437.
Wheat, labour costs—Mr. Grant, 348, 349, 358, 376, 399; Mr. Leitch, 507 to 509; Mr. Deachman, 934.
Wheat, price of—Mr. Thompson, 291, 297; Mr. Grant, 358, 396; Mr. Edwards, 438, 446; Mr. Cumming, 485; Mr. Leitch 508, 509; Mr. Reid, 655, 660, 665, 666· Mr. Amos, 682, 683; Mr. Jackman, 692. Mr. Sly, 761; Mr. Williams, 818; Mr Benson, 896; Mr. Deachman, 934; Mr Hamilton, 1013 to 1015, 1020, 1026; Mr Gagne, 1045; Mr. Bradshaw, 1274 to 1277; Mr. Imrie, 1432, 1435,, 1436, 1442; Mr. Blatchford, 1446, 1447; Mr. Swanson, 1467, 1469, 1470; Mr. Bradshaw, 1503 to 1508.
Wheat, production—Mr. Grant, 410; Mr. Spence, 812, 813; Mr. Hamilton, 1006, 1008, 1010, 1011; Mr. Imrie, 1432, 1441.
Wheat, quality of Canadian—Mr. Hamilton, 1010, 1011.
Wheat, screenings—Mr. Imrie, 1443; Mr. Blatchford, 1447.
Wheat, seed—Mr. Grant, 351, 361; Mr. Leitch, 507, 508; Mr. Reid, 655.
Wheat, United States duty on—Mr. Thompson, 290; Mr. MacIntosh, 1782, 1783.
Wheat, yield per acre—Mr. Grant, 358, 359; Mr. Leitch, 508, 509; Mr. Reid, 656, 657, 660; Mr. Spence, 814; Mr Williams, 821; Mr. Hamilton, 1006, 1007, 1028.

GREAT BRITAIN

Bacon market—Mr. McLean, 241 to 243; Mr. Light, 337.
Bacon, price of, in—Mr. McLean, 227, 244 to 246; Mr. Thompson, 292.
Canadian Government employees in—Mr. Scripture, 301.
Cargoes from—Mr. Curry, 154; Mr. Cunningham, 223, 224; Mr. Sales, 626; Mr. Imrie, 1441, 1442; Mr. Swanson, 1468.
Cattle embargo, removal of—Mr. Grisdale, 11, 13, 14; Mr. Campbell, 65, 74,

GREAT BRITAIN—*Con.*
75; Mr. Curry, 153; Mr. McLean, 231; Mr. Motherwell, 327, 328, 339; Mr. Somerville, 1545, 1546.
Cattle market—Mr. Grisdale, 20, 27 to 29; Mr. Arkell, 30 to 32, 35; Mr. Campbell, 65, 69, 73, 74, 79, 81, 84; Mr. Curry, 144; Mr. McLean, 230 to 234, 238, 239; Mr. Light, 329, 332, 333, 339; Mr. Hammell, 471.
Cattle marketing expenses in—Mr. Arkell, 32; Mr. Campbell, 77; Mr. Light, 329. 331, 332, 338.
Cattle, ports of discharge for—Mr. Grisdale, 22, 24, 26; Mr. Campbell, 71, 74, 82, 83; Mr. Light, 337; Mr. Somerville, 1550.
Cattle, regulations for importation of—Mr. Grisdale, 14; Mr. Curry, 144; Mr. McLean, 231; Mr. Hawken, 340 to 342; Mr. Grisdale, 1833 to 1836.
Cattle, value of—Mr. Grisdale, 27, 28; Mr. Arkell, 30, 32; Mr. McLean, 232, 236 to 238; Mr. Light, 332, 335, 336. 339, 340.
Egg market—Mr. McLean, 254; Mr. Grant, 411.
Fruit market—Mr. Taylor, 52; Mr. Bulman, 56, 58, 59; Mr. Curry, 145; Mr. Scripture, 299, 310; Mr. Chase, 312 to 314, 326; Mr. Cummings, 465; Mr. Sissons, 500.
Grain market—Mr. Cunningham, 196, 211, 212; Mr. Thompson, 289, 291; Mr. Reid, 650, 651.
Preferential tariff—Mr. Sales, 626; Mr. Deachman, 924.

HAIL
Insurance—Mr. Grant, 358; Mr. Reid, 655; Mr. Williams, 818, 819, 825; Mr. Hamilton, 1011, 1026, 1031.

HAY
British Columbia demand for—Mr. Bulman, 63.
Cattle, for beef—Mr. Barton, 109. See also "Feed."
Cost of producing—Mr. Leitch, 508, 509; Mr. Pirie, 955.
Cuba market—Mr. Hatfield, 1417.
Price of—Mr. Leitch, 508, 509; Mr. Amos, 683; Mr. Pirie, 954, 955.
Profits in—Mr. Leitch, 510, 511, 516; Mr. Pirie, 955.
Yield per acre—Mr. Leitch, 508, 509; Mr. Pirie, 955.

HEIFERS. See 'Cattle' under "Live Stock."

HIDES
Cattle, beef—Mr. Leitch, 92; Mr. Light, 336; Mr. Ste. Marie, 607; Mr. King, 956; Mr. Daoust, 1183 to 1185.

HOMESTEAD POLICY
Canadian Government—Mr. Spence, 797.

HOGS. See under "Live Stock."

HOPS
Ocean rate on—Mr. Cunningham, 200.

HORSES. See heading under "Live Stock."

HOSPITALS
Farms distant from—Mrs. McNaughton, 424.

HOURS. See under "Labour."

HOUSES. See under "Farm."

HOUSEWORK
Farm—Mr. Leitch, 97, 100; Mrs. McNaughton, 424, 425, 430.

HUDSON'S BAY
Fellowship—Mr. Grant, 346, 374, 376.
Grain, route for—Mr. Imrie, 1432, 1433, 1437, 1439.

IMPURITIES
Mill products, in—Mr. Cumming, 487.

IMMIGRATION
China, from—Mr. Bulman, 54, 59.
Farmers, not necessarily—Mr. Bulman, 58, Mr. Cumming, 486; Mr. Williams, 827.
Needed—Mrs. McNaughton, 430, 431; Mr. Cumming, 486; Mr. Spence, 807, 810; Mr. Deachman, 933; Mr. Hamilton, 1038.
Oriental—Mr. Bulman, 54, 59. See also "China" and "Japan."
Production, effect of, on—Mr. Leitch, 128; Mr. Cumming, 486; Mr. Spence, 807; Mr. Deachman, 933; Mr. Houson, 1758.

IMPLEMENTS
See 'Equipment' under "Farm."

INCOME
Farm—Mr. Leitch, 95; Mr. Grant, 364 to 366, 370, 373, 374; Mr. Cumming, 476; Mr. Leitch, 508 to 512; Mr. Ste. Marie, 614 to 616, 621; Mr. Hamilton, 1026.
Labour—Mr. Leitch, 131; Mr. Grant, 364 to 366, 370; Mr. Toupin, 449, 450, 457 to 460; Mr. Leitch, 524; Mr. Ste. Marie, 606, 610, 613, 615, 616, 618; Mr. Gagne, 1047.
Labour, definition of—Mr. Leitch, 94, 97, 124; Mr. Grant, 364; Mr. Toupin, 459; Mr. Ste. Marie, 606, 610.

Taxes—Mr. Leitch, 96; Mr. Ward, 644; Mr. Spence, 812; Mr. Williams, 823.

INDEBTEDNESS
Saskatchewan—Mr. Edwards, 437 to 440, 443, 444, 448; Mr. Williams, 827.

INDEX

Crop, definition of—Mr. Ste. Marie, 611.
Live stock, definition of—Mr. Ste. Marie, 611.
Relative Prices—Mr. Grant, 398 to 401; Mr. Edwards, 447.

INQUIRY

Grain Trade—See special heading.
Royal Commission—See special heading.
Surveys—See special heading.

IN SINK

Definition of—Mr. Arkell, 30; Mr. Light, 336.

INSPECTION

Cattle, beef—Mr. Grisdale, 15, 16; Mr. Hawken, 341.

INSURANCE

Buildings and Machinery—Mr. Grant, 350; Mr. Dewar, 1370.
Cattle, beef—Mr. Campbell, 72, 73, 84; Mr. Somerville, 1547; Mr. Fortin, 1773.
Crop—Mr. King, 979, 980.
Hail—Mr. Grant, 358; Mr. Reid, 655; Mr. Williams 818, 819, 825; Mr. Hamilton, 1011, 1026, 1031.
Shipping—Mr. Cunningham, 223.

INTERCOLONIAL RAILWAY

British North America Act guarantees—Mr. Cumming, 477, 478.

INTEREST

Farm investments, on—Mr. Leitch, 92, 94, 95, 97, 99; Mr. Barton, 108, 110; Mr. Leitch, 125, 129, 130; Mr. Scripture, 308; Mr. Grant, 350, 351, 354, 355, 359, 360, 365, 366, 370, 373, 375; Mr. Toupin, 458, 459; Mr. Sissons 504; Mr. Leitch, 508 to 512; Mr. Ste. Marie, 606, 611, 626; Mr. Reid, 658, 662; Mr. Williams, 819, 820, 824, 825; Mr. Dewar, 1370.
Taxes, on—Mr. Edwards, 434, 439.

INTERNATIONAL

Mercantile Marine—Mr. Nicoll, 157; Mr. Doherty, 164, 165; Mr. Curry, 169 to 171.

INVENTORY

Farm—Mr. Grant, 364.

INVESTMENTS. See heading under "Farm."

IRELAND

Cattle of, compared with Canadian—Mr. Grisdale, 26.

IRRIGATION—

Fruit in British Columbia—Mr. Taylor, 47; Mr. Bulman, 58, 60.

JAPAN

Fruit market—Mr. Bulman, 60.
Natives of in Canada—Mr. Bulman, 59.

LABOUR

Cattle, beef, in production of—Mr. Leitch, 92; Mr. Barton, 105, 106, 110, 111; Mr. Leitch, 124, 553.
Cattle, dairy—Mr. Barton, 113; Mr. Leitch, 129, 130; Mr. Toupin, 462; Mr. Sissons, 493; Mr. Leitch, 522, 529; Mr. Fortier, 568, 569; Mr. Stonehouse, 592, 593; Mr. Spence, 807; Mr. Williams, 837.
Farm contrasted with Civil Service—Mr. Fortier, 574.
Farm, cost of—Mr. Edwards, 447; Mr. Cumming, 468; Mr. Leitch, 507, 508, 510, 512, 518, 531; Mr. Stonehouse, 593, 594; Mr. Ste. Marie, 606, 625; Mr. Reid, 654 to 657; Mr. Amos, 674, 675, 679; Mr. Spence, 806, 807, 812, 813; Mr. Williams, 819, 823, 833; Mr. Pirie, 948, 949, 955, 956; Mr. Hamilton, 1026; Mr. Dewar, 1374, 1376, 1385; Mr. Swanson, 1449; Mr. Newman, 1630, 1631.
Farm, domestic—Mrs. McNaughton, 430.
Farm, Experimental—Mr. Leitch, 104; Mr. Ste. Marie, 625.
Farm families—Mr. Leitch, 101; Mr. Grant, 355, 356, 364, 370, 371, 375, 392 to 394; Mrs. McNaughton, 424, 425, 428; Mr. Toupin, 459, 460, 511, 512, 518; Mr. Ste. Marie, 604, 606, 616, 617; Mr. Pirie, 955, 956; Mr. Dewar, 1374, 1376, 1385.
Farm, hours of—Mr. Leitch, 99, 100, 102, 128; Mr. Grant, 352 to 354, 394, 396; Mr. Leitch, 511, 524, 536, 537; Mr. Fortier, 567, 569; Mr. Ste. Marie, 617, 625; Mr. Hamilton, 1016; Mr. Houson, 1758, 1759.
Farm, Ontario—Mr. Leitch, 97, 101, 102, 507, 508, 512, 518, 531, 532, 534, 537.
Farm, urban, contrasted with—Mrs. McNaughton, 424, 425, 428, 442, 447; Mr. Hughes, 559, 560; Mr. Fortier, 567, 569; Mr. Stonehouse, 593; Mr. Amos, 674, 679, 680; Mr. Spence, 813; Mr. Deachman, 931; Mr. Hamilton, 1016.
Farm, value of owner's—Mr. Leitch, 92, 94, 96, 97, 100 to 103; Mr. Barton, 104; Mr. Leitch, 124, 125, 130; Mr. Grant, 355 to 357, 394; Mr. Edwards, 440; Mr. Leitch, 507, 511, 512, 518, 524, 531; Mr. Williams, 819.
Income—Mr. Leitch, 131; Mr. Grant, 364 to 366, 370; Mr. Toupin, 449, 450, 457, 458 to 460; Mr. Leitch, 524; Mr. Ste. Marie, 606, 610, 613, 615, 616, 618; Mr. Gagne, 1047.
Income, definition of—Mr. Leitch, 94, 97, 124; Mr. Grant, 364; Mr. Toupin, 459; Mr. Ste. Marie, 606, 610.
Oriental—Mr. Taylor, 54.
Shipping—Mr. Campbell, 81, 82; Mr

LABOUR—*Con.*
Nicoll, 160; Mr. Cunningham, 212; Mr. Light, 331; Mr. Pinsonnault, 345, 346; Mr. Martell, 1087 to 1096.
Value; how compupted—Mr. Leitch, 96, 100; Mr. Grant, 352, 358, 394; Mr. Edwards, 441, 442; Mr. Leitch, 531.
Wages set by Board—Mr. Bulman, 57, 58.
Wheat, costs of—Mr. Grant, 348, 349, 358, 376, 399; Mr. Leitch, 507 to 509; Mr. Deachman, 934.

LAKE ROUTE. See heading under "Transportation."

LAMB. See under 'Sheep' under "Live Stock."

LAND
Acreage cultivated by one man—Mr. Grant, 405; Mr. Sissons, 496; Mr. Ste. Marie, 616; Mr. Amos, 674; Mr. Dewar, 1370, 1371.
Colonization of—Mr. Grant, 362; Mr. Edwards, 433; Mr. Hamilton, 1020. See also "Immigration."
Pasture, must be low priced—Mr. Barton, 111; Mr. Leitch, 522, 523; Mr. Newman, 1623.
Payments for—Mr. Hamilton, 1020, 1021.
Sales of, for taxes—Mr. Edwards, 433 to 436; Mr. Reid, 670.
Soldiers' Settlement Board—Mr. Hamilton, 1020, 1021, 1029, 1030.
Speculation in—Mr. Spence, 799, 804, 814; Mr. Williams, 838; Mr. King, 979; Mr. Bowman, 1116, 1117.
Value of—Mr. Bulman, 60; Mr. Leitch, 127, 128, 130, 137 to 139; Mr. Grant, 350, 351, 359, 362, 365, 367, 369, 370, 375; Mr. Edwards, 433; Mr. Sissons, 488, 489; Mr. Leitch, 507, 508, 512, 522, 523; Mr. St. Marie, 613, 614; Mr. Reid, 658, 668 to 672; Mr. Spence, 803, 804; Mr. Williams, 818 to 820, 824, 825, 843; Mr. Pirie, 948, 956; Mr. Bowman, 1116, 1117, 1147; Mr. Dewar, 1370, 1379, 1380; Mr. Hatfield, 1414; Mr. Newman, 1623; Mr. Fairbairn, 1652.

LEATHER
Ocean rate on—Mr. Cunningham, 214, 215, 217; Mr. Thompson, 297.

LEGISLATION
Agriculture, *re*—Mr. Leitch, 139, 140, 516. See also "Government."

LIVE STOCK
Associations—Mr. King, 966.
Breeding—Mr. Leitch, 101, 102, 139; Mr. Toupin, 455; Mr. Stonehouse, 600; Mr. Williams, 833, 834.
Cattle, Beef
Age of, for exporting—Mr. Campbell, 67.
Agriculture needs—Mr. McLean, 227, 228.

LIVE STOCK—*Con.*
Attendants on board ship—Mr. Light, 329, 331, 338.
Beef, canned—Mr. McLean, 235, 236. See also 'Meats' under this heading.
Beef, chilled—Mr. Grisdale, 28; Mr. McLean, 232, 233, 235 to 238, 249. See also 'Meats' under this heading.
Beef, chilled, ocean rate on—Mr. Curry, 149; Mr. Nicoll, 157; Mr. Cunningham, 167, 192, 239.
Beef, chilled, transportation of—Mr. McLean, 237, 239.
Beef, cold storage of—Mr. McLean, 233; Mr. Cumming, 483, 484.
Beef, frozen—Mr. McLean, 229, 232, 235.
Breeding of—Mr. McLean, 234, 236, 237; Mr. Spence, 809; Mr. Williams, 835, 836, 845, 846.
Brokers of—Page 11; Mr. Campbell, 55, 66, 71, 72, 74, 79, 80, 84; Mr. Curry, 144, 150 to 152, 170, 171; Mr. Cunningham, 204, 205, 207, 208; Mr. Motherwell, 328; Mr. Light, 338; Mr. Munro, 373. See also "Shipping Brokers."
Buyers of, in Canada—Mr. Campbell, 75.
Calves from—Mr. Leitch, 92.
Canadian Government Mercantile Marine as carriers of—Mr. Campbell, 72, 73, 79, 85; Mr. Cunningham, 224, 225.
Canadian, compared with Irish—Mr. Grisdale, 26.
Co-operative marketing of—Mr. Motherwell, 327, 328.
Cost of producing—Mr. Grisdale, 29; Mr. Leitch, 91, 92, 101, 102; Mr. Barton, 104 to 106, 108, 110; Mr. Leitch, 124; Mr. Light, 340; Mr. Grant, 380; Mr. Edwards, 442; Mr. Leitch, 532, 533.
Cream from—Mr. Leitch, 92.
Dairy cattle, from—Mr. Barton, 104, 106, 107; Mr. Ste. Marie, 606, 607.
Depression in industry—Mr. McLean, 229, 231; Mr. Leitch, 532; Mr. Williams, 839.
Development of industry—Mr. Grisdale, 28, 29; Mr. Arkell, 31, 35; Mr. Campbell, 65, 69, 73, 74, 79, 81, 84; Mr. Curry, 144, 153; Mr. McLean, 227, 230, 231, 234, 238.
Domestic market for—Mr. McLean, 229, 231; Mr. Light, 334.
Embargo, removal of—Mr. Grisdale, 11, 13, 14; Mr. Campbell, 65, 74, 75; Mr. Curry, 153; Mr. McLean, 231; Mr. Motherwell, 327, 328, 339; Mr. Somerville, 1545, 1546.
Export, Canada must—Mr. McLean, 227, 228.
Facilities for handling in Canada—Mr. Somerville, 1545 to 1549.
Feed for—Mr. Leitch, 92, 93, 96, 101, 102; Mr. Barton, 104 to 110; Mr. McLean, 235, 236; Mr. Light, 329; Mr. Leitch, 533.
Feeder trade in—Mr. Arkell, 31; Mr. McLean, 231 to 234; Mr. Light, 329, 334,

LIVE STOCK—*Con.*

335; Mr. Williams, 840. See also "Stores" under this heading.
Finishing of—Mr. McLean, 233, 234; Mr. Leitch, 533.
Grain for—Mr. Burton, 108; Mr. McLean, 236.
Great Britain market—Mr. Grisdale, 20, 27 to 29; Mr. Arkell, 30 to 32, 35; Mr. Campbell, 65, 69, 73, 74, 79, 81, 84. Mr. Curry, 144; Mr. McLean, 230 to 234, 238, 239; Mr. Light, 329, 332, 333, 339; Mr. Hammell, 471.
Heifers, price of compared with steers—Mr. McLean, 249; Mr. Light, 335.
Hides from—Mr. Leitch, 92; Mr. Light, 336; Mr. Ste. Marie, 607; Mr. King, 956; Mr. Daoust, 1183 to 1185.
Identification of—Mr. Grisdale, 16.
In sink, definition of—Mr. Arkell, 30; Mr. Light, 336.
Inspection of—Mr. Grisdale, 15, 16; Mr. Hawken, 341.
Insurance on—Mr. Campbell, 72, 73, 84; Mr. Somerville, 1547; Mr. Fortin, 1773.
Irish compared with Canadian—Mr. Grisdale, 26.
Labour in production of—Mr. Leitch, 92; Mr. Barton, 105, 106, 110, 111; Mr. Leitch, 124, 533.
Labour building stalls on steamers—Mr. Campbell, 81, 82; Mr. Nicoll, 160; Mr. Pinsonnault, 345, 346.
Losses—Mr. Leitch, 92, 93; Mr. McLean, 233; Mr. Light, 340; Mr. Edwards, 442; Mr. Leitch, 532; Mr. Deachman, 914.
Marketing costs too high—Mr. Light, 339.
Milk from—Mr. Leitch, 92.
Mortality on board ship—Mr. Light, 330; Mr. Hawken, 341, 342; Mr. Somerville, 1546, 1549, 1550; Mr. Fortin, 1773, 1774.
Movement from Western to Eastern Canada—Mr. Arkell, 32, 34, 35; Mr. Barton, 107, 110; Mr. McLean, 233; Mr. Light, 329, 334, 335.
Number available for export—Mr. Grisdale, 14; Mr. Curry, 144, 153, 171; Mr. McLean, 232, 234, 235; Mr. Light, 339.
Ocean rate on—Mr. Curry, 142 to 145, 151 to 153; Mr. Nicoll, 157, 160, 161; Mr. Cunningham, 167; Mr. Curry, 170 to 172; Mr. Cunningham, 204, 209 to 212, 217, 224; Mr. Light, 329, 331, 338; Mr. Hawken, 341; Mr. Somerville, 1546 to 1548; Mr. Fortin, 1774, 1775. See also "Transportation of" and "Ocean space for" under this heading.
Ocean space for: Pages 4, 10, 11; Mr. Grisdale, 13; Mr. Arkell, 36; Mr. Campbell, 65, 66, 69 to 75, 78 to 80, 84; Mr. Curry, 142 to 148, 150 to 154; Mr. Nicoll, 160, 161; Mr. Cunningham, 168, 169; Mr. Curry, 171; Mr. Cunningham, 224, 225; Mr. Motherwell, 327; Mr. Hawken, 341; Mr. Robb, 372, 373; Mr. Fortin, 1776.

LIVE STOCK—*Con.*

Ocean space for, definition of—Mr. Arkell, 33; Mr. Campbell, 67; Mr. Light, 330; Mr. Hawken, 341, 342; Mr. Pinsonnault, 345.
Offal value—Mr. Arkell, 30; Mr. Light, 336.
Pasture for—Mr. Barton, 111; Mr. Grant, 380.
Ports departure from Canada—Mr. Grisdale, 22; Mr. Campbell, 70, 74, 75, 77, 78; Mr. Curry, 151, 153, 171; Mr. Somerville, 1546 to 1550.
Ports of discharge in Great Britain—Mr. Grisdale, 22, 24, 26; Mr. Campbell, 71, 74, 82, 83; Mr. Light, 337; Mr. Somerville, 1550.
Price of—Mr. Edwards, 446, 447; Mr. Amos, 683; Mr. Hamilton, 1020.
Production increase as result of new markets—Mr. Arkell, 35.
Profits in—Mr. Leitch, 93, 100, 102; Mr. Barton, 105, 107 to 110; Mr. McLean, 237.
Rail transportation of—Mr. Grisdale, 13, 15; Mr. Arkell, 32, 33, 35; Mr. Campbell, 65, 70, 84; Mr. Caldwell, 129; Mr. Light, 329, 334, 335, 337; Mr. Somerville, 1548; Mr. Fortin, 1773, 1775.
Regulations for importation into Great Britain—Mr. Grisdale, 14; Mr. Curry, 144; Mr. McLean, 231; Mr. Hawken, 340 to 342; Mr. Grisdale, 1833 to 1836.
Roots for—Mr. Barton, 109, 110.
St. Lawrence route for—Mr. Campbell, 77 to 79; Mr. Curry, 153; Mr. Light, 336; Mr. Fortin, 1772 to 1776.
Selling expenses in Great Britain—Mr. Arkell, 32; Mr. Campbell, 77; Mr. Light, 329, 331, 332, 338.
Shrinkage in transportation—Mr. Somerville, 1546 to 1549; Mr. Fortin, 1773.
Silage for—Mr. Barton, 109, 110.
South America, competition of—Mr. McLean, 232, 236.
Stalls on board ship—Mr. Campbell, 81, 82; Mr. Curry, 143, 154; Mr. Light, 329 to 331; Mr. Hawken, 340 to 342; Mr. Pinsonnault, 342 to 346; Mr. Martell, 1087 to 1096.
Steers, prices of compared with heifers—McLean, 249; Mr. Light, 335.
Stores must be shipped from Canadian ports—Mr. Grisdale, 22.
Stores, all cattle should be shipped as—Mr. Grisdale, 21; Mr. Campbell, 68, 69, 81, 84; Mr. Hammell, 470, 471.
Transportation of—Mr. Grisdale, 27 to 29; Mr. Arkell, 32; Mr. Campbell, 65 to 67, 70, 72, 73, 77 to 79, 81 to 85; Mr. Curry, 142 to 144; Mr. Light, 337; Mr. S. Somerville, 1546 to 1549; Mr. Fortin, 1773 See also "Rail" and "Ocean rates" under this heading.
United States competition—Mr. Campbell, 69, 70, 77, 78; Mr. Curry, 151, 153; Mr.

LIVE STOCK—*Con.*

Cunningham, 225; Mr. McLean, 232, 233, 235; Mr. Light, 334, 335.

United States market for—Mr. Campbell, 68; Mr. McLean, 228 to 230, 232 to 235, 238, 334; Mr. Williams, 839, 840.

Value of—Mr. Arkell, 33, 34; Mr. Campbell, 68, 84; Mr. Leitch, 91, 92; Mr. Barton, 107, 108; Mr. McLean, 236, 237; Mr. Light, 339, 340.

Value of, in Great Britain—Mr. Grisdale, 27, 28; Mr. Arkell, 30, 32; Mr. McLean, 232, 236 to 238; Mr. Light, 332, 335, 336, 339, 340.

Veterinarians for—Mr. Grisdale, 17, 18.

Wharfage on—Mr. Cunningham, 204, 205; Mr. Light, 338.

CATTLE

Canada, number in—Mr. Hamilton, 1011.

CATTLE, DAIRY

Australia competitor in products—Mr. Leitch, 135; Mr. Ruddick, 1580.

Beef cattle, from—Mr. Barton, 104, 106, 107; Mr. Ste. Marie, 606, 607.

Breeding of—Mr. Barton, 106, 113 to 118; Mr. Leitch, 139; Mr. Toupin, 455, 457; Mr. Cumming, 474, 475; Mr. Leitch, 538, 539; Mr. Ste. Marie, 622, 623. See also 'Breeding' under "Live Stock" generally.

Breeds of—Mr. Toupin, 461, 462; Mr. Spence, 809; Mr. Williams, 836, 837.

Butter, consumption in Canada—Mr. Fortier, 578.

Butter, export of—Mr. Cumming, 481; Mr. Fortier, 567 to 571; Mr. Bourbeau, 587, 588; Mr. Stonehouse, 600; Mr. Hamilton, 1012.

Butter fat in milk—See 'Cream' under this heading.

Butter, grading of—Mr. Bourbeau, 581 to 583, 588; Mr. Spence, 816; Mr. Ruddick, 1580 to 1585.

Butter, imports of—Mr. Cumming, 481; Mr. Fortier, 569, 572; Mr. Stonehouse, 600.

Butter, manufacture of—Mr. Leitch, 97; Mr. Cumming, 473, 474; Mr. Henry, 550, 551; Mr. Fortier, 577; Mr. Bourbeau, 586; Mr. Hamilton, 1012, 1013.

Butter, ocean rate on—Mr. Curry, 143 145, 148, 149; Mr. Nicoll, 157; Mr. Doherty, 162, 163; Mr. Cunningham, 166, 167, 192 to 194.

Butter, oleomargarine, competition of—Mr. McLean, 256, 257, 260; Mr. Cumming, 481, 482; Mr. Fortier, 577, 578; Mr. Bourbeau, 587; Mr. Stonehouse, 598 to 600.

Butter, oleomargarine in—Mr. McLean, 256; Mr. Cumming, 482.

Butter, pasteurization of—Mr. Bourbeau, 580 to 582, 588.

Butter, price of—Mr. McLean, 256, 260; Mr. Cumming, 481, 482; Mr. Fortier, 567, 572 to 574; Mr. Bourbeau, 583, 588; Mr. Hamilton, 1012, 1013.

Butter, production—Mr. Cumming, 483; Mr. Bourbeau, 580, 586; Mr. Hamilton, 1012.

Butter, quality of—Mr. Leitch, 135; Mr. Cumming, 483; Mr. Fortier, 577, 578; Mr. Bourbeau, 579 to 582, 584, 587, 588; Mr. Hamilton, 1012; Mr. Ruddick, 1578 to 1585.

Calves from—Mr. Toupin, 452; Mr. Leitch, 523, 524; Mr. Ste. Marie, 607, 608; Mr. Spence, 809.

Cheese bulletins—Mr. Leitch, 137.

Cheese, competition in—Mr. Leitch, 135, 136; Mr. Fortier, 571; Mr. Stonehouse, 598; Mr. Ruddick, 1578 to 1585.

Cheese, export of—Mr. Leitch, 135, 136; Mr. Bourbeau, 589, 590.

Cheese, factory—Mr. Barton, 119, 121 to 123; Mr. Leitch, 135 to 137, 539; Mr. Bourbeau, 581, 584.

Cheese, farm made—Mr. Barton, 122; Mr. Toupin, 463.

Cheese, grading of—Mr. Leitch, 136; Mr. Bourbeau, 581, 583, 584, 588; Mr. Ruddick, 1580 to 1585.

Cheese, ocean rate on—Mr. Curry, 145, 149; Mr. Nicoll, 157; Mr. Doherty, 162, 163; Mr. Cunningham, 167, 193.

Cheese, packages for—Mr. Bourbeau, 589, 590.

Cheese, price of—Mr. Bourbeau, 579, 583, 585, 586, 588, 590; Mr. Stonehouse, 595, 596.

Cheese, quality of—Mr. Leitch, 135; Mr. Bourbeau, 579, 581, 583, 584, 588 to 590; Mr. Ruddick, 1578, 1579.

Cheese, skimmed milk—Mr. Bourbeau, 590.

Co-operative organizations—Mr. Leitch, 136 to 138; Mr. Henry, 551; Mr. Bourbeau, 581; Mr. Stonehouse, 594 to 597; Mr. Spence, 814 to 816.

Cream, beef cattle, from—Mr. Leitch, 92.

Cream, grading of—Mr. Leitch, 132; Mr. Henry, 547, 550, 551; Mr. Bourbeau, 580 to 582, 584, 585, 587; Mr. Stonehouse, 593.

Cream, marketing of—Mr. Barton, 121 to 123; Mr. Leitch, 137; Mr. Grant, 378, 379; Mr. Leitch, 524, 525; Mr. Henry, 547; Mr. Fortier, 567, 569; Mr. Bourbeau, 580; Mr. Spence, 814.

Cream, percentage of in milk—Mr. Leitch, 129; Mr. Toupin, 461, 462.

Cream production—Mr. Barton, 120, 121; Mr. Cumming, 474; Mr. Fortier, 567, 568.

Cream, quality of—Mr. Bourbeau, 584, 585, 587.

Dairy Council, National, of Canada—Mr. Stonehouse, 591, 596, 597.

Deflation in value—Mr. Leitch, 131; Mr. Sissons, 493 to 495; Mr. Leitch, 522.

LIVE STOCK—*Con.*

Danish competition—Mr. Leitch, 135; Mr. Fortier, 570; Mr. Bourbeau, 571, 584, 585; Mr. Ruddick, 1580 to 1585.

Feeding of—Mr. Barton, 113, 118 to 121; Mr. Leitch, 130, 131; Mr. Thompson 295; Mr. Grant, 375; Mr. Toupin, 449, 451 to 454, 457, 463, 464; Mr. Cumming, 474, 475; Mr. Sissons, 493; Mr. Leitch, 522, 525, 526; Mr. Fortier, 568; Mr. Stonehouse, 592, 597; Mr. Spence, 809; Mr. Newman, 1623, 1624.

Index, definition of—Mr. Ste. Marie, 611.

Labour—Mr. Barton, 113; Mr. Leitch, 129, 130; Mr. Toupin, 462; Mr. Sissons, 493; Mr. Leitch, 522, 529; Mr. Fortier, 568, 569; Mr. Stonehouse, 592, 593; Mr. Spence, 807; Mr. Williams, 837.

Losses—Mr. Leitch, 131, 136; Mr. Cumming, 473; Mr. Sissons, 493, 495; Mr. Leitch, 523; Mr. Hughes, 558; Mr. Fortier, 568; Mr. Ste. Marie, 621.

Marketing, co-operative—Mr. Grant, 416; Mr. Williams, 840.

Milk, beef cattle, from—Mr. Leitch, 92.

Milk, bottles for—Mr. Leitch, 132; Mr. Sissons, 492; Mr. Henry, 544, 548, 549; Mr. Hughes, 552, 555 to 558.

Milk, butter fat in—See 'Cream' under this heading.

Milk, cheese from skimmed—Mr. Bourbeau, 590.

Milk, competition in selling—Mr. Barton, 123; Mr. Leitch, 133; Mr. Hughes, 557, 561, 564.

Milk, costs of production—Mr. Barton, 112, 119, 120, 121, 123; Mr. Leitch, 129, 130 to 132, 137; Mr. Toupin, 461; Mr. Sissons, 492; Mr. Leitch, 522, 525, 528, 538; Mr. Henry, 552; Mr. Hughes, 558, 565; Mr. Fortier, 568; Mr. Stonehouse, 591; Mr. Newman, 1623, 1624, 1626.

Milk, cream in—Mr. Leitch, 129; Mr. Toupin, 461, 462.

Milk, distribution of—Mr. Barton, 120, 123; Mr. Leitch, 132, 133; Mr. Toupin, 461; Mr. Sissons, 492, 494; Mr. Leitch, 524, 539; Mr. Henry, 543 to 550; Mr. Hughes, 553, 555, 557 to 563; Mr. Fortier, 566.

Milk, hogs, for—Mr. McLean, 243; Mr. Toupin, 451; Mr. Spence, 809.

Milk, oleomargarine, in—Mr. McLean, 256.

Milk, pasteurization of—Mr. Sissons, 492; Mr. Henry, 544, 545, 547; Mr. Hughes, 552, 565.

Milk, price of—Mr. Leitch, 99; Mr. Barton, 120, 123; Mr. Leitch, 130, 132, 136, 137; Mr. Toupin, 461, 462; Mr. Sissons, 492 to 494; Mr. Leitch, 523 to 525, 529; Mr. Henry, 543 to 545, 548, 549, 551; Mr. Hughes, 552, 553, 557, 558, 560 to 565; Mr. Fortier, 566, 567, 571; Mr. Stonehouse, 600.

LIVE STOCK—*Con.*

Milk, price of, spread in—Mr. Sissons, 492, 493; Mr. Henry, 543 to 545, 548, 549; Mr. Hughes, 553, 557, 558.

Milk, production—Mr. Leitch, 130; Mr. Toupin, 447, 450, 451, 461, 462; Mr. Leitch, 523 to 525; Mr. Fortier, 573; Mr. Ste. Marie, 621; Mr. Ruddick, 1579; Mr. Newman, 1624 to 1626.

Milk, quality—Mr. Leitch, 134; Mr. Toupin, 461, 462; Mr. Sissons, 494; Mr. Hughes, 552; Mr. Stonehouse, 593; Mr. Newman, 1624, 1625.

Milk, Transportation costs—Mr. Leitch, 132; Mr. Sissons, 492, 494; Mr. Henry, 543, 544, 546; Mr. Hughes, 558, 559, 564 to 566.

New Zealand, competition of, in products—Mr. Leitch, 135, 136; Mr. Fortier, 571, 572; Mr. Bourbeau, 583; Mr. Ruddick, 1578 to 1580.

Nova Scotia—Mr. Cumming, 473.

Ontario—Mr. Barton, 112; Mr. Leitch, 129.

Pasture for—Mr. Leitch, 130; Mr. Toupin, 451, 455; Mr. Leitch, 522; Mr. Spence, 809.

Price of—Mr. Ste. Marie, 606, 607, 609; Mr. Amos, 683; Mr. Deachman, 914.

Products, cold storage of—Mr. Bourbeau, 583, 584, 589; Mr. Stonehouse, 596, 597.

Products, companies distributing—Mr. Sissons, 492, 493; Mr. Henry, 543, 549, 550; Mr. Hughes, 552, 563, 564.

Profits in—Mr. Leitch, 130, 131, 136; Mr. Toupin, 462; Mr. Ste. Marie, 621.

Pure Bred—Mr. Grant, 375, 378, 379; Mr. Toupin, 461, 462; Mr. Cumming, 474; Mr. Sissons, 493; Mr. Ste. Marie, 622 to 624.

Quebec—Mr. Barton, 104, 112; Mr. Fortier, 567; Mr. Ste. Marie, 621.

Record of performance—Mr. Barton, 113, 115, 118, 119; Mr. Leitch, 523 to 525; Mr. Ste. Marie, 623; Mr. Newman, 1623, 1624.

Saskatchewan—Mr. Hamilton, 1034.

Scrub stock—Mr. Barton, 113 to 115, 117; Mr. Cumming, 474, 475; Mr. Leitch, 538, 539; Mr. Ste. Marie, 608, 609, 621 to 624; Mr. Williams, 837; Mr. Gagne, 1044.

Specialization in—Mr. Barton, 112, 113; Mr. Leitch, 131, 132; Mr. Ste. Marie, 621; Mr. Spence, 809.

Testing of—Mr. Barton, 113 to 115, 118, 119; Mr. Leitch, 139; Mr. Grant, 375, 378; Mr. Toupin, 457, 461, 463; Mr. Spence, 809; Mr. Williams, 837; Mr Gagne, 1044, 1050.

Western Canada—Mr. McLean, 243; Mr Hamilton, 1012.

Co-operative Marketing.
Mr. Grant, 416; Mr. Williams, 840.

Cost of Producing in Ontario.
Mr. Leitch, 91, 92, 96.

LIVE STOCK—*Con.*

DEFLATION IN VALUE.
Mr. Leitch, 92, 93, 100, 101, 131; Mr. Grant, 378; Mr. Sissons, 493 to 495; Mr. Leitch, 522; Mr. Reid, 663, 664.

DEPRECIATION.
Mr. Ste. Marie, 605 to 609.

FEED FOR.
Mr. Leitch, 92, 93, 96, 101, 102; Mr. Thompson, 295; Mr. Toupin, 452.

HOGS
Bacon, curing of—Mr. McLean, 242; Mr Hamilton, 1016.
Bacon, Canada, Price in—Mr. McLean, 227, 244 to 246; Mr. Thompson, 292.
Bacon, Great Britain market for—Mr. McLean, 241 to 243; Mr. Light, 337.
Bacon, Great Britain, price in—Mr. McLean, 227, 244 to 246; Mr. Thompson, 292.
Breeding, better, necessary—Mr. McLean, 241; Mr. Spence, 809.
Canada, number in—Mr. Hamilton, 1011, 1034.
Denmark, competition of—Mr. McLean. 241 to 243.
Export trade—Mr. McLean, 241 to 243.
Feed for—Mr. Barton, 120 to 122, 137; Mr. McLean, 242 to 244, 250, 251; Mr. Thompson, 290, 291; Mr. Scrimture, 301; Mr. Toupin, 449, 451, 452; Mr. Leitch, 530, 531; Mr. Spence, 809.
Grading of—Mr. McLean, 243, 244.
Grain for—Mr. McLean, 242, 243, 250, 291; Mr. Toupin, 451, 452.
Milk for—Mr. McLean, 243; Mr. Toupin, 451; Mr. Spence, 809.
Pork, cost of producing—Mr. Leitch, 529 to 531.
Pork from United States in Canada—Mr. McLean, 250; Mr. Light, 337.
Price of—Mr. McLean, 227, 237, 244, 250, 251; Mr. Thompson, 293; Mr. Leitch, 530; Mr. Amos, 683; Mr. Hamilton, 1020.
Production in Quebec—Mr. Toupin, 449, 451.
Products of—Mr. McLean, 246.
Profits on products—Mr. McLean, 244, 245; Mr. Light, 337; Mr. Leitch, 530.
Type demanded—Mr. McLean, 241 to 243, 250, 251.
United States packed in Canada—Mr. McLean, 250; Mr. Light, 337.

HORSES.
Breeding of—Mr. Williams, 834 to 836
Canada, number in—Mr. Hamilton, 1011.
Depreciation—Mr. Grant, 354; Mr. Henry, 546, 547; Mr. Dewar, 1370.
Feed for—Mr. Grant, 354, 361; Mr. Hamilton, 1026.
Tractors compared with—Mr. Grant, 360, 361.
Value—Mr. Grant, 354, 360, 361; Mr. Leitch, 507, 508; Mr. Henry, 546, 547; Mr. Williams, 834, 835, 838; Mr. Deachman, 915; Mr. Hamilton, 1011; Mr. Dewar, 1369.

MEATS.
British Columbia demand for—Mr. Bulman, 63.
Canned, ocean rate on—Mr. Curry, 149; Mr. Nicoll, 157.
Dressed—Mr. McLean, 228.

PACKING HOUSES.
Agreement on prices—Mr. McLean, 240, 246 to 249.
Clearing Houses—Mr. McLean, 227, 231, 240.
Competition between—McLean, 227, 239, 240.
Development of industry—Mr. McLean, 226, 246 to 248.

PIONEER INDUSTRY.
Western Canada—Mr. Hamilton, 1011.

PRICE.
Market determines—Mr. McLean, 227, 231, 240, 249.
Producers'—Mr. Grant, 365, 369, 374, 379.

PRODUCTS
Competition in sales of—Mr. McLean, 247, 248.
Distribution of—Mr. McLean, 247, 248.
Prices—Mr. McLean, 227, 231, 240, 246 to 249; Mr. Grant, 374.
Prices, cause of high—Mr. McLean, 246 to 248.

SHEEP
Canada, in—Mr. Hamilton, 1011, 1034.
Feeding of—Mr. Cumming, 483 to 485.
Lamb, cold storage—Mr. McLean, 252; Mr. Cumming, 483.
Lamb, export of—Mr. McLean, 251, 252; Mr. Cumming, 483.
Lamb, importation of—Mr. McLean, 251, 252; Mr. Cumming, 483.
Lamb, market gluts of—Mr. McLean, 251.
Lamb, price of—Mr. Cumming, 484.
Lamb, rail rate on—Mr. Cumming, 484.
Lamb, United States duty on—Mr. McLean, 251, 252.
Price of—Mr. Amos, 683.
Profits—Mr. Cumming, 483
Tariff, effect of—Mr. Cumming 485, 486.
Weed destroyers—Mr. Grant, 382, 383.
Wharfage on—Mr. Cunningham, 204, 205.
Wool and its products—Mr. Cumming, 483, 485 to 487; Mr. Amos, 683; Mr. Sparks, 851; Mr. Hamilton, 1018, 1019, 1021 to 1023.

UNITED STATES MARKET FOR.—Mr. Deachman, 928, 929; Mr. Swanson, 1452.

LIVING
Cost of farmers'—Mr. Leitch, 94, 97, 100; Mr. Grant, 376; Mrs. McNaughton, 426; Mr. Toupin, 459; Mr. Sissons,

LIVING—*Con.*
494; Mr. Leitch, 510 to 512; Mr. Gagne, 1045.
Cost of, sets wage scale—Mr. Edwards, 445.
Standard of—Mr. Grant, 419, 420; Mr. Hamilton, 1032; Mr. Bowman, 1142, 1143; See also "Social Status."

LOSSES
Apples—Mr. Scripture, 299, 300; Mr. Cumming, 465; Mr. Sissons, 501.
Cattle, Beef—Mr. Leitch, 92, 93, 97 to 100; Mr. McLean, 233; Mr. Light, 340; Mr. Edwards, 442; Mr. Leitch, 532; Mr. Deachman, 914.
Cattle, Dairy—Mr. Leitch, 131, 136; Mr. Cumming, 473; Mr. Sissons, 493, 495; Mr. Leitch, 523; Mr. Hughes, 558; Mr. Fortier, 568; Mr. Ste. Marie, 621.
Fruit—Mr. Taylor, 38 to 40; Mr. Bulman, 56, 57; Mr. Scripture, 299, 308; Mr. Chase, 314; Mr. Sissons, 496; Mr. Fairbairn, 1637 to 1641.
Grain—Mr. Leitch, 509 to 511; Mr. Reid, 660; Mr. King, 956.
Potatoes—Mr. Chase, 315, 322; Mr. Cumming, 476; Mr. Leitch, 510; Mr. Pirie, 945, 950; Mr. Hatfield, 1410, 1415.
Shipping—Mr. Curry, 147; Mr. Nicoll, 160; Mr. Doherty, 162, 163; Mr. Curry, 171, 172; Mr. Doherty, 176; Mr. Cunningham, 192, 200, 201, 203, 210, 212, 215, 217, 221, 223, 225; Mr. Ledingham, 263, 292.

LUNHAM & MOORE
Shipping Agents—Mr. Cornell, 173, 178.

McCLEAN-KENNEDY
Shipping Line—Mr. Campbell, 85; Mr. Cunningham, 189, 190, 195.

MACHINERY. See "Farm Equipment."

MAINE, U.S.A.
Taxes—Mr. Pirie, 954.

MANAGEMENT
Farm—Mr. Grant, 356, 357, 363, 366, 371; Mr. Leitch, 509, 510.

MANITOBA
Cattle, Beef, cost of producing—Mr. Grant, 380.
Costs of production—Mr. Leitch, 87; Mr. Grant, 350.
Farm income—Mr. Grant, 364 to 367, 370, 374.
Mixed farming—Mr. Grant, 366, 369, 374, 378, 380, 382, 405 to 407.
Taxes—Mr. Grant, 350, 351, 368, 379, 404.

MANUFACTURE
Butter—Mr. Leitch, 97; Mr. Cumming, 473, 474; Mr. Henry, 550, 551; Mr. Fortier, 577; Mr. Bourbeau, 586; Mr. Hamilton, 1012 to 1015.
Cheese—Mr. Barton, 119, 121 to 123; Mr. Leitch, 135 to 137; Mr. Toupin, 463; Mr. Leitch, 539; Mr. Bourbeau, 581, 584.
Oleomargarine—Mr. McLean, 255 to 260; Mr. Cumming, 479 to 482; Mr. Fortier, 577, 578; Mr. Bourbeau, 587; Mr. Stonehouse, 598 to 600.
Regulation of—Mr. Grant, 410, 411.

MAPLE. See under "Forest Products."

MARINE
Canadian Government Mercantile—See 'Shipping' under "Transportation."

MARKET
Australia fruit—Mr. Taylor, 52; Mr. Bulman, 55, 60.
Credit prevents glutting—Mr. King, 937.
China fruit—Mr. Taylor, 52; Mr. Bulman, 54.
Cold storage controls—Mr. Bulman, 55, 59; Mr. Grant, 416, 418; Mr. Stonehouse, 596.
Cream—Mr. Barton, 121 to 123; Mr. Leitch, 137; Mr. Grant, 378, 379; Mr. Leitch, 524, 525; Mr. Henry, 547; Mr. Fortier, 567, 569; Mr. Bourbeau, 580; Mr. Spence, 814.
Cuba, grain—Mr. Hatfield, 1417.
Cuba hay—Mr. Hatfield, 1417.
Cuba potato—Mr. Nicoll, 159; Mr. Cunningham, 169, 221 to 223; Mr. Ledingham, 261 to 269; Mr. Chase, 314, 315; Mr. Pirie, 943, 944; Mr. Dewar, 1381 to 1383; Mr. Hatfield, 1391, 1393 to 1407, 1419; Mr. Estey, 1420 to 1424.
Domestic butter—Mr. Cumming, 481; Mr. Fortier, 569, 572, 578; Mr. Stonehouse, 600.
Domestic cattle—Mr. McLean, 229, 231; Mr. Light, 334.
Domestic egg—Mr. McLean, 253; Mr. Grant, 412.
Domestic flour—Mr. Cornell, 174 to 176; Mr. Watts, 273, 274, 280, 284 to 286, 292 to 295; Mr. Reid, 666, 667.
Domestic fruit—Mr. Taylor, 38; Mr. Bulman, 63; Mr. Scripture, 300, 302, 503; Mr. Chase, 325, 326; Mr. Sissons, 499, 503.
Domestic general—Mr. Cumming, 476 to 478, 486.
Domestic grain—See under "Grain."
Domestic lamb—Mr. McLean, 251, 252; Mr. Cumming, 483.
Domestic potato—Mr. Dewar, 1381 to 1384; Mr. Estey, 1430.
Export butter—Mr. Cumming, 481; Mr. Fortier, 567 to 571; Mr. Bourbeau, 587, 588; Mr. Stonehouse, 600; Mr. Hamilton, 1012.

MARKET—*Con.*

Export cheese—Mr. Leitch, 135, 136; Mr. Bourbeau, 589, 590.

Export flour—Mr. Cornell, 174 to 176; Mr. Watts, 270 to 275, 279, 280, 283 to 286; Mr. Thompson, 289, 290, 293 to 296; Mr. Watts, 297; Mr. Reid, 665, 666; Mr. Hatfield, 1417; Mr. Somerville, 1548, 1549.

Export lamb—Mr. McLean, 251, 252; Mr. Cumming, 483.

Export pork—Mr. McLean, 241 to 243.

French fruit—Mr. Scripture, 299.

Grain products—Mr. Watts, 272, 273; Mr. Leitch, 526, 527.

Great Britain, bacon—Mr. McLean, 241 to 243; Mr. Light, 337.

Great Britain, cattle—Mr. Grisdale, 20, 27 to 29; Mr. Arkell, 30 to 32, 35; Mr. Campbell, 65, 69, 73, 74, 79, 81, 84; Mr. Curry, 144; Mr. McLean, 230 to 234, 238, 239; Mr. Light, 329, 332, 333, 339; Mr. Hammell, 471.

Great Britain, eggs—Mr. McLean, 254; Mr. Grant, 411.

Great Britain, fruit—Mr. Taylor, 52; Mr. Bulman, 56, 58, 59; Mr. Curry, 145; Mr. Scripture, 299, 310; Mr. Chase, 312 to 314, 326; Mr. Cumming, 465; Mr. Sissons, 500.

Great Britain, grain—Mr. Cunningham, 196, 211, 212; Mr. Thompson, 289, 291; Mr. Reid, 650, 651.

Japan, fruit—Mr. Bulman, 60.

Milk—Mr. Barton, 120, 123; Mr. Leitch, 132, 133; Mr. Toupin, 461; Mr. Sissons, 492, 494; Mr. Leitch, 524, 539; Mr. Henry, 543 to 550; Mr. Hughes, 553, 555, 557 to 563; Mr. Fortier, 566.

New Zealand, fruit—Mr. Bulman, 55.

Orient grain—Mr. Imrie, 1442.

Scandinavian fruit—Mr. Taylor, 52; Mr. Bulman, 55; Mr. Scripture, 299.

South Africa fruit—Mr. Taylor, 52; Mr. Bulman, 55; Mr. Scripture, 299, 310.

Strawberry—Mr. Dewar, 1389; Mr. Fairbairn, 1654, 1660.

United States cattle—Mr. Campbell, 68; Mr. McLean, 228 to 230, 232 to 235, 238, 334; Mr. Williams, 839, 840.

United States egg—Mr. McLean, 254; Mr. Grant, 411, 412.

United States flour—Mr. Watts, 278, 279.

United States fruit—Mr. Taylor, 52, 53; Mr. Bulman, 56, 60, 61.

United States grain—Mr. Leitch, 526, 527; Mr. Imrie, 1436; Mr. MacIntosh, 1783.

United States live stock—Mr. Deachman, 928, 929; Mr. Swanson, 1452.

United States potato—Mr. Cunningham, 169; Mr. Cumming, 478; Mr. Pirie, 943, 944, 947; Mr. Dewar, 1377 to 1379, 1382; Mr. Hatfield, 1413; Mr. Estey, 1425, 1428.

West Indies potato—Mr. Hatfield, 1417.

MARKETING

Advertising of farm products—Mr. Barton, 122; Mr. Hughes, 553, 554.

Agenda—Pages 8, 421.

Apples—See under "Fruit."

Canadian system—Mr. Taylor, 47, 48; Mr. Curry, 145; Mr. Scripture, 301 to 305; Mr. Grant, 408, 410, 411; Mr. Sissons, 501, 502.

Capital provided by banks—Mr. Jackman, 706, 707.

Cattle costs—Mr. Arkell, 32; Mr. Campbell, 77; Mr. Light, 329, 331, 332, 338, 339.

Co-operative—Mr. Taylor, 41, 43, 51; Mr. Bulman, 55, 60; Mr. Scripture, 306, 307, 311; Mr. Chase, 312, 324, 327; Mr. King, 964; Mr. Hamilton, 1060; Mr. Fairbairn, 1634 to 1637, 1647; Mr. MacIntosh, 1781 to 1801.

Co-operative egg—Mr. Grant, 411 to 413; Mrs. McNaughton, 431.

Co-operative live stock—Mr. Motherwell, 327, 328; Mr. Grant, 416; Mr. Williams, 840.

Co-operative potato—Mr. Chase, 322; Mr. Pirie, 944 to 946; Mr. Dewar, 1377 to 1381, 1383; Mr. Hatfield, 1411; Mr. Estey, 1421, 1427.

Early grain—Mr. Grant, 356; Mr. Imrie, 1432.

Economics of—Mr. Grant, 398, 401, 402; Mr. Toupin, 457, 460; Mr. Leitch, 514, 515, 539, 540; Mr. Hamilton, 1013; Mr. Bowman, 1118 to 1120.

Fruit—See under "Fruit."

Government information on—Mr. Leitch, 103; Mr. Light, 328, 329, 332 to 340, 408 to 410; Mr. Leitch, 516; Mr. Jackman, 698, 700 to 705, 709; Mr. Hamilton, 1036; Mr. Gagne, 1047, 1048; Mr. Hatfield, 1416; Mr. MacIntosh, 1792 to 1795.

Grain exchange—Mr. Grant, 401, 402, 413; Mr. Jackman, 705 to 709.

Grain versus feeding—Mr. McLean, 242; Mr. Spence, 806.

Producer must understand—Mr. Leitch, 103, 514 to 516; Mr. Imrie, 1432, 1440.

United States aid to—Mr. Grant, 408.

MEATS. See heading under "Live Stock."

MERCANTILE MARINE

Canadian Government—See under 'Shipping' under "Transportation."

MIDDLEMEN

Co-operative organizations eliminate—Mr. Bulman, 61; Mr. Grant, 414; Mr. King, 964.

MILK

See "Cattle" under "Live Stock."

MILLERS

Associations—Mr. Cornell, 172; Mr. Watts, 269, 278, 279, 288. See also

MILLERS—*Con.*
"Combines" and "Companies".
Grain purchases—Mr. Watts, 279 to 281, 283.
Profits—Mr. Sissons, 495.
Rail rates for—See 'Flour' under "Grain."

MORALE
Farmers'—Mr. Williams. 828.

MORTALITY
Cattle on board ship—Mr. Light, 330; Mr. Hawken, 341, 342; Mr. Somerville, 1546, 1549, 1550; Mr. Fortin, 1773, 1774.

MUNSON LINES
Shipping—Mr. Chase, 320.

NATIONAL
Dairy Council of Canada—Mr. Stonehouse, 591, 596, 597.

NEW BRUNSWICK
Mixed farming—Mr. Barton, 120, 121; Mr. Pirie, 954, 955.
Potato combine—Mr. Ledingham, 264 to 266, 268; Mr. Chase, 321, 322; Mr. Pirie, 943 to 945, 951, 953; Mr. Dewar, 1381, 1383; Mr. Hatfield, 1410; Mr. Estey, 1421, 1422, 1426, 1427, 1429 to 1431.
Potato shippers—Mr. Ledingham, 261, 264 to 266; Mr. Chase, 321; Mr. Pirie, 943, 944, 947; Mr. Hatfield, 1390 to 1392; Mr. Estey, 1421, 1431.
Taxes—Mr. Pirie, 956.

NEW YORK
Differential—See 'Flour' under "Grain" and 'Shipping' under "Transportation."

NEW ZEALAND
Cheese, competition of—Mr. Ruddick, 1578 to 1580.
Dairy products generally, competition of—Mr. Leitch, 135, 136; Mr. Fortier, 571, 572; Mr. Bourbeau, 583; Mr. Ruddick, 1580.
Fruit market—Mr. Bulman, 55.

NOVA SCOTIA
Cattle—Mr. Cumming, 473.
Coal—Mr. Cumming, 476 to 479.
Taxes—Mr. Cumming, 473.

OLEOMARGARINE
Butter in—Mr. McLean, 256; Mr. Cumming, 482.
Butter, competitor of—Mr. McLean, 256, 257, 260; Mr. Cumming, 481, 482; Mr. Fortier, 577, 578; Mr. Bourbeau, 587; Mr. Stonehouse, 598 to 600.
Manufacture of—Mr. McLean, 255 to 260; Mr. Cumming, 479 to 482.
Milk in—Mr. McLean, 256.

ONTARIO
Agricultural College accounting system—Mr. Leitch, 91, 139.
Agricultural College surveys—Mr. Leitch, 91, 92.
Cattle, beef, cost of producing—Mr. Leitch, 91, 92, 101, 102; Mr. Barton, 108, 110; Mr. Leitch, 124, 532, 533.
Cattle, beef, losses—Mr. Leitch, 92, 93, 97 to 100.
Cattle, dairy—Mr. Barton, 112; Mr. Leitch, 129.
Costs of Production—Mr. Leitch, 91, 92.
Farm labour—Mr. Leitch, 97, 101, 102, 507, 508, 512, 518, 531, 532, 534, 537.
Farm supplies—Mr. Leitch, 97 to 101.
Farming methods—Mr. Leitch, 104.
Grain, price of—Mr. Leitch, 130; Mr. Watts, 280.
Live stock, cost of producing—Mr. Leitch, 91, 92, 96.
Mixed farming—Mr. Leitch, 96, 100; Mr. Barton, 121; Mr. Leitch, 124, 131, 137; Mr. Sissons, 487, 495, 519; Mr. Houson, 1754.
Taxes—Mr. Leitch, 96; Mr. Sissons, 503; Mr. Bradshaw, 1492; Mr. Fairbairn, 1642, 1661, 1662.

ORCHARD
Pests in British Columbia—Mr. Taylor, 48 to 50; Mr. Bulman, 56, 59.

ORGANIZATIONS
Agricultural, notified of Committee meetings—Page 12.
Co-operative—See heading "Co-operative."

ORIENT
Grain market—Mr. Imrie, 1442; See also "China" and "Japan."
Natives of—See "Immigration" and "Labour."

PACKAGES
Apple—See under "Fruit."
Baskets—See under "Fruit."
Cheese—See heading 'Cheese' under "Live Stock."
Potatoes—See heading "Potatoes."

PACKING HOUSES
Agreement on prices—Mr. McLean, 240, 246 to 249.
Clearing houses—Mr. McLean, 227, 231, 240.
Competition between—Mr. McLean, 227, 239, 240.
Development of industry—Mr. McLean, 226, 246 to 248.

PANAMA CANAL
Fruit route—Mr. Bulman, 59.

PASTEURIZATION
Butter—Mr. Bourbeau, 580 to 582, 588.
Milk—Mr. Sissons, 492; Mr. Henry, 544, 545, 547; Mr. Hughes, 552, 565.

PASTURE
Cattle, beef—Mr. Barton, 111; Mr. Grant, 380.
Cattle, Dairy—Mr. Leitch, 130; Mr. Toupin, 451, 455; Mr. Leitch, 522; Mr. Spence, 809.
Land must be low priced—Mr. Barton, 111; Mr. Leitch, 522, 523; Mr. Newman, 1623.

PIONEER INDUSTRIES
Western Canada—Mr. Grant, 382; Mr. Spence, 808, 809; Mr. Hamilton, 1011, 1035; Mr. Swanson, 1453.

POOLS
Co-operative price—Mr. Grant, 416.
Fruit—Mr. Bulman, 62.

POPULATION
Distribution of—Mr. Amos, 684; Mr. Hamilton, 1005.

POTATOES
Chartered steamers for—Mr. Cunningham, 221; Mr. Ledingham, 262, 264, 265, 268; Mr. Chase, 314, 315, 321; Mr. Pirie, 943, 944; Mr. Hatfield, 1393, 1395, 1396, 1398, 1399, 1411, 1414; Mr. Estey, 1420, 1422, 1423, 1426.
Combine, Cuba—Mr. Ledingham, 266; Mr. Chase, 320 to 322; Mr. Pirie, 947, 951; Mr. Dewar, 1381 to 1384; Mr. Hatfield, 1393 to 1396; Mr. Estey, 1425.
Combine, New Brunswick—Mr. Ledingham, 264 to 266, 268; Mr. Chase, 321, 322; Mr. Pirie, 943 to 945, 951, 953; Mr. Dewar, 1381, 1383; Mr. Hatfield, 1410; Mr. Estey, 1421, 1422, 1426, 1427, 1429 to 1431.
Competition between shippers—Mr. Pirie, 952 to 954; Mr. Dewar, 1379; Mr. Hatfield, 1410, 1411, 1413; Mr. Estey, 1421, 1423, 1424, 1426 to 1428.
Co-operative marketing—Mr. Chase, 322; Mr. Pirie, 944 to 946; Mr. Dewar, 1377 to 1381, 1383; Mr. Hatfield, 1411; Mr. Estey, 1421, 1427.
Cost of producing—Mr. Leitch, 508, 509, 517; Mr. Pirie, 948, 949, 956; Mr. Dewar, 1368 to 1378, 1380, 1385, 1386; Mr. Hatfield, 1414; Mr. Newman, 1629.
Cuba, duty on—Mr. Chase, 324; Mr. Pirie, 952; Mr. Hatfield, 1417; Mr. Estey, 1425, 1427.
Cuba market—Mr. Nicoll, 159; Mr. Cunningham, 169, 221 to 223; Mr. Ledingham, 261 to 269; Mr. Chase 314, 315; Mr. Pirie, 943, 944; Mr. Dewar, 1381 to 1383; Mr. Hatfield, 1391, 1393 to 1407, 1419; Mr. Estey, 1420.
Cuba price—Mr. Chase, 320 to 322; Mr. Pirie, 952; Mr. Dewar, 1383; Mr. Hatfield, 1393, 1395 to 1402, 1404, 1405, 1407, 1408, 1410, 1411; Mr. Estey, 1423 to 1426, 1429.
Cuba, return cargoes from—Mr. Ledingham, 264; Mr. Pirie, 946, 947; Mr. Hatfield, 1412, 1417, 1418.
Domestic market—Mr. Dewar, 1381 to 1384; Mr. Estey, 1430.
Export trade development—Mr. Ledingham, 263, 264.
Government assistance to shippers—Mr. Ledingham, 262, 263, 265; Mr. Pirie, 944, 946; Mr. Dewar, 1384; Mr. Hatfield, 1408 to 1410.
Grading of—Mr. Estey, 1430.
Growers' losses—Mr. Chase, 315, 322; Mr. Cumming, 476; Mr. Leitch, 510; Mr. Pirie, 945, 950; Mr. Hatfield, 1410, 1415.
Growers' price—Mr. Chase, 320 to 322; Mr. Edwards, 446; Mr. Leitch, 508, 509; Mr. Amos, 683; Mr. Pirie, 945, 947, 950 to 954; Mr. Dewar, 1374, 1377, 1378, 1386; Mr. Hatfield, 1391, 1396 to 1405, 1407, 1411; Mr. Estey, 1424, 1425, 1427 to 1430.
Ocean rate on—Mr. Cunningham, 169, 221; Mr. Ledingham, 262, 264, 267, 268; Mr. Chase, 314, 315, 317, 319, 320, 322 to 324; Mr. Pirie, 952; Mr. Hatfield, 1396 to 1401, 1403, 1407, 1419, 1420; Mr. Estey, 1429.
Ocean rates, competition in—Mr. Cunningham, 221, 222; Mr. Ledingham, 263 to 268; Mr. Chase, 314.
Packages for—Mr. Chase, 317, 320; Mr. Pirie, 952, 954; Mr. Dewar, 1375 to 1377; Mr. Hatfield, 1391, 1396, 1398 to 1401, 1403; Mr. Estey, 1429.
Profits in—Mr. Leitch 511; Mr. Pirie, 954; Mr. Dewar, 1378; Mr. Estey, 1430.
Rail rates on—Mr. Chase, 318 to 320, 323, 324; Mr. Pirie, 951, 952; Mr. Hatfield, 1403, 1407, 1415, 1419; Mr. Estey, 1429, 1430.
Railway cars for—Mr. Hatfield, 1419; Mr. Estey, 1429.
Railway sidings—Mr. Hatfield, 1420; Mr. Estey, 1426.
Seed, Government certified—Mr. Pirie, 956; Mr. Dewar, 1371 to 1379, 1384; Mr. Estey, 1429.
Shippers in New Brunswick—Mr. Ledingham, 261, 264 to 266; Mr. Chase, 321; Mr. Pirie, 943, 944, 947; Mr. Hatfield, 1390 to 1392; Mr. Estey, 1421, 1431.
Shipping through United States ports—Mr. Ledingham, 261; Mr. Pirie, 944, 947; Mr. Hatfield, 1395, 1396, 1412 to 1414.
Specialized product of Maritime Provinces—Mr. Caldwell, 129; Mr. Ledingham, 267; Mr. Chase, 315.
Steamers for—Mr. Cunningham, 222, 223; Mr. Chase, 320.
Storage of—Mr. Dewar, 1376, 1382, 1383; Mr. Hatfield, 1391, 1407; Mr. Estey, 1428.
Terminal charges on—Mr. Chase, 318 to 320; Mr. Pirie, 952; Mr. Hatfield, 1397 to 1401, 1403, 1407; Mr. Estey, 1429.

POTATOES—*Con.*

United States competition—Mr. Chase, 324; Mr. Pirie, 948; Mr. Hatfield, 1411; Mr. Estey, 1422.

United States market—Mr. Cunningham, 169; Mr. Cumming, 478; Mr. Pirie, 943, 944, 947; Mr. Dewar, 1377 to 1379, 1382; Mr. Hatfield, 1413; Mr. Estey, 1425, 1428.

Warehouse at St. John—Mr. Nicoll, 159; Mr. Cunningham, 221, 222; Mr. Ledingham, 261, 262, 264; Mr. Pirie, 943, 946, 952; Mr. Hatfield, 1391 to 1393, 1396 to 1401, 1403, 1407 to 1410, 1412, 1413; Mr. Estey, 1426.

West Indies market—Mr. Hatfield, 1417.

Yield per acre—Mr. Leitch, 508, 509, 517; Mr. Pirie, 954; Mr. Dewar, 1376, 1377, 1380, 1385; Mr. Hatfield, 1415; Mr. Newman, 1629.

POULTRY

Cost of producing—Mr. Leitch, 517, 519.

Culling of—Mr. Williams, 837, 838.

Eggs, cold storage of—Mr. McLean, 252 to 254; Mr. Grant, 412.

Eggs, co-operative marketing—Mr. Grant, 411 to 413; Mrs. McNaughton, 431.

Eggs, cost of producing—Mr. Grant, 415; Mrs. McNaughton, 431; Mr. Leitch, 517, 520, 521.

Eggs, domestic market—Mr. McLean, 253; Mr. Grant, 412.

Eggs, grading—Mr. Grant, 411, 413; Mrs. McNaughton, 431; Mr. MacIntosh, 1797.

Eggs, Great Britain market—Mr. McLean, 254; Mr. Grant, 411.

Eggs, Importation of—Mr. Grant, 412.

Eggs, price of—Mr. McLean, 252; Mr. Grant, 411 to 415; Mrs. McNaughton, 431; Mr. Leitch, 517, 519; Mr. Deachman, 914.

Eggs, production—Mr. McLean, 253; Mr. Grant, 412.

Eggs, quality—Mr. McLean, 253, 254, Mr. Grant, 411 to 415; Mrs. McNaughton, 431.

Eggs, storage—Mr. McLean, 252, 253; Mr. Grant, 412.

Eggs, United States market—Mr. McLean, 254; Mr. Grant, 411, 412.

Profitable on mixed farms—Mr. Leitch, 519 to 521.

Saskatchewan, number in—Mr. Hamilton, 1034.

Turkeys, production—Mr. Spence, 809, 810.

PRECIPITATION

Production, effect on—Mr. Spence, 799, 800 to 802; Mr. Williams, 821.

PREFERENCE

British tariff—Mr. Sales, 626; Mr. Deachman, 924.

Cuba in United States tariff—Mr. Hatfield, 1417, 1418.

West Indies sugar—Mr. Hatfield, 1417, 1418.

PRICES

Apple producers—Mr. Bulman, 62, 63; Mr. Scripture, 301, 303, 307; Mr. Chase, 325 to 327; Mr. Cumming, 464, 465, 468, 472, 473; Mr. Sissons, 496, 500, 501; Mr. Dewar, 1387; Mr. Fairbairn, 1637, 1638.

Apple, spread in—Mr. Bulman, 62; Mr. Scripture, 302 to 305, 310; Mr. Sissons, 500 to 502.

Bacon—Mr. McLean, 227, 244 to 246; Mr. Thompson, 292.

Barley—Mr. Edwards, 446; Mr. Leitch, 508, 509; Mr. Amos, 683.

Butter—Mr. McLean, 256, 260; Mr. Cumming, 481, 482; Mr. Fortier, 567, 572 to 574; Mr. Bourbeau, 583, 588; Mr. Hamilton, 1012, 1013.

Cattle, beef—Mr. Grisdale, 27, 28; Mr. Arkell, 30, 32 to 34; Mr. Campbell, 68, 84; Mr. Leitch, 91, 92; Mr. Barton, 107, 108; Mr. McLean, 232, 236 to 238; Mr. Light, 332, 335, 336, 339, 340; Mr. Edwards, 446, 447; Mr. Amos, 683; Mr. Hamilton, 1020.

Cattle, Dairy—Mr. Ste. Marie, 606, 607, 609; Mr. Amos, 683; Mr. Deachman, 914.

Cheese—Mr. Bourbeau, 579, 583, 585, 586, 588, 590; Mr. Stonehouse, 595, 596.

Co-operative pools—Mr. Grant, 416.

Eggs—Mr. McLean, 252; Mr. Grant, 411 to 415; Mrs. McNaughton, 431; Mr. Leitch, 517, 519; Mr. Deachman, 914.

Farm equipment—Mr. Edwards, 447.

Farm products, decline in—Mr. Grant, 398.

Fixing advocated for producers—Mr. Taylor, 43, 45; Mr. Bulman, 55, 61; Mr. Fortier, 570, 573 to 576.

Flax—Mr. Edwards, 446.

Flour—Mr. Cornell, 175, 176, 279, 280, 283 to 286, 288, 292 to 295, 297; Mr. Watts, 298; Mr. Edwards, 446, 447; Mr. Reid, 666, 667; Mr. Blatchford, 1447.

Fruit, consumer of—Mr. Taylor, 39, 40, 43, 45, 52, 53; Mr. Bulman, 55, 56, 62, 63; Mr. Scripture, 301, 302, 304 to 310; Mr. Chase, 313; Mr. Sissons, 496, 500, 501, 503; Mr. Sales, 601; Mr. Sly, 760, 761; Mr. Fairbairn, 1656 to 1658. See also "Apples" under this heading.

Fruit, producer of—Mr. Taylor, 43; Mr. Bulman, 62, 63; Mr. Sissons, 496, 497; Mr. Fairbairn, 1656, 1657.

Grain, mill products of—Mr. Watts, 285, 286; Mr. Thompson, 295; Mr. Watts, 298; Mr. Cumming, 475, 486; Mr. Sissons, 495; Mr. Leitch, 525 to 527; Mr. Cumming, 540, 541; Mr. Reid, 665 to 667; Mr. Benson, 893 to 895; Mr. Blatchford, 1446, 1447.

Grain, mixed—Mr. Leitch, 508, 509.

Grain, Ontario—Mr. Leitch, 130; Mr. Watts, 280.

Hay—Mr. Leitch, 508, 509; Mr. Amos, 683; Mr. Pirie, 954, 955.

Heifers versus steers—Mr. McLean, 249; Mr. Light, 335.

PRICES—*Con.*
Hogs—Mr. McLean, 227, 237, 244, 250, 251; Mr. Thompson, 293; Mr. Amos, 683; Mr. Hamilton, 1020.
Horses—Mr. Grant, 354, 360, 361; Mr. Leitch, 507, 508; Mr. Henry, 546, 547; Mr. Williams, 834, 835, 838; Mr. Deachman, 915; Mr. Hamilton, 1011; Mr. Dewar, 1369.
Lambs—Mr. Cumming, 484.
Land—Mr. Bulman, 60; Mr. Barton, 111; Mr. Leitch, 127, 128, 130, 137 to 139; Mr. Grant, 350, 351, 359, 362, 365, 367, 369, 370, 375; Mr. Edwards, 433; Mr. Sissons, 488, 489; Mr. Leitch, 507, 508, 512, 522, 523; Mr. Ste. Marie, 613, 614; Mr. Reid, 658, 668 to 672; Mr. Spence, 803, 804; Mr. Williams, 818 to 820, 824, 825, 843; Mr. Pirie, 948, 956; Mr. Bowman, 1116, 1117, 1147; Mr. Dewar, 1370, 1379, 1380; Mr. Hatfield, 1414; Mr. Newman, 1623; Mr. Fairbairn, 1652.
Live stock generally—Mr. McLean, 227, 231, 240, 249; Mr. Grant, 365, 369, 374, 379.
Live stock products—Mr. McLean, 227, 231, 240, 246 to 249; Mr. Grant, 374.
Maple products—Mr. Trowern, 1555, 1556, 1564.
Milk—Mr. Barton, 120, 123; Mr. Leitch, 99, 130, 132, 136, 137; Mr. Toupin, 461, 462; Mr. Sissons, 492 to 494; Mr. Leitch, 523 to 525, 529; Mr. Henry, 543 to 545, 548, 549, 551; Mr. Hughes, 552, 553, 557, 558, 560 to 565; Mr. Fortier, 566, 567, 571; Mr. Stonehouse, 600.
Oats—Mr. McLean, 241; Mr. Edwards, 446; Mr. Leitch, 508, 509; Mr. Reid, 655; Mr. Amos, 683; Mr. Hamilton, 1020, 1026.
Packing house—Mr. McLean, 240, 246 to 249.
Potatoes—Mr. Chase, 320 to 322; Mr. Edwards, 446; Mr. Leitch, 508, 509; Mr. Amos, 683; Mr. Pirie, 945, 947, 950 to 954; Mr. Dewar, 1374, 1377, 1378, 1383, 1386; Mr. Hatfield, 1391, 1393, 1395 to 1405, 1407, 1408, 1410, 1411; Mr. Estey, 1423 to 1430.
Prunes—Mr. Taylor, 39.
Relative—See special heading.
Relative index numbers—Mr. Grant, 398 to 401; Mr. Edwards, 447.
Roots—Mr. Leitch, 508, 509.
Sheep—Mr. Amos, 683.
Spreads—Mr. Bulman, 62, 63; Mr. Scripture, 302 to 305, 310; Mr. Grant, 418, 419; Mr. Sissons, 492, 493; 500 to 502; Mr. Henry, 543 to 545, 548, 549; Mr. Hughes, 553, 557, 558.
Strawberries—Mr. Dewar, 1388, 1389; Mr. Fairbairn, 1651, 1652.
Sugar beets—Mr. Houson, 1759, 1760; Mr. Dougherty, 1802 to 1805, 1810, 1813 to 1815; Mr. Houson, 1820 to 1823, 1826, 1827.

PRICES—*Con.*
Vegetables—Mr. Sissons, 488 to 492.
Wheat—Mr. Thompson, 291, 297; Mr. Grant, 358, 396; Mr. Edwards, 438, 446; Mr. Cumming, 485; Mr. Leitch, 508, 509; Mr. Reid, 655, 660, 665, 666; Mr. Amos, 682, 683; Mr. Jackman, 692; Mr. Sly, 761; Mr. Williams, 818; Mr. Benson, 896; Mr. Deachman, 934; Mr. Hamilton, 1013 to 1015, 1020, 1026; Mr. Gagne, 1045; Mr. Bradshaw, 1274 to 1277; Mr. Imrie, 1432, 1435, 1436, 1442; Mr. Blatchford, 1446, 1447; Mr. Swanson, 1467, 1469, 1470; Mr. Bradshaw, 1503 to 1508.
PRINCE EDWARD ISLAND
Mixed farming—Mr. Dewar, 1369.
Taxes, 1370, 1379, 1380.
PRODUCER
Marketing must be understood by—Mr. Leitch, 103, 514 to 516; Mr. Imrie, 1432, 1440.

PRODUCTION
Agenda—Pages 6, 421.
Apples—Mr. Taylor, 52; Mr. Cumming, 465; Mr. Leitch, 534, 535.
Barley—Mr. Hamilton, 1006, 1010.
Butter—Mr. Cumming, 483; Mr. Bourbeau, 580, 586; Mr. Hamilton, 1012.
Cattle, beef—Mr. Arkell, 35.
Control—Mr. Grant, 409; Mr. Stonehouse, 594.
Costs bulletins—Mr. Taylor, 46; Mr. Leitch, 93, 137.
Costs, Experimental Farms—Mr. Leitch, 101, 102; Mr. Reid, 661.
Costs, Manitoba—Mr. Leitch, 87; Mr. Grant, 350.
Costs must be lowered—Mr. Bulman, 61; Mr. Leitch, 98, 124; Mr. Grant, 376; Mrs. McNaughton, 426, 427; Mr. Stonehouse, 591, 592; Mr. Ste. Marie, 622; Mr. Reid, 657, 672; Mr. Deachman, 933; Mr. Gagne, 1044, 1045; Mr. Swanson, 1449.
Costs, Ontario—Mr. Leitch, 91, 92.
Costs—See also "Fertilizers," "Fruit," "Grain," "Immigration," "Labour," "Live Stock," "Living," "Poultry," "Roots," "Vegetables."
Cream—Mr. Barton, 120, 121; Mr. Cumming, 474; Mr. Fortier, 567, 568.
Economics—Mr. Grant, 398, 401, 402; Mr. Toupin, 457, 460; Mr. Leitch, 514, 515, 539, 540; Mr. Hamilton, 1013; Mr. Bowman, 1118 to 1120.
Eggs—Mr. McLean, 253; Mr. Grant, 412.
Farm products, overproduction of—Mr. Leitch, 128; Mr. Grant, 398; Mr. Leitch, 516; Mr. Fortier, 570, 573, 574; Mr. Stonehouse, 594.
Flax—Mr. Hamilton, 1006, 1009, 1010.
Fruit—Mr. Bulman, 54, 55; Mr. Scripture, 301 to 303, 306; Mr. Sissons, 496.

PRODUCTION—*Con.*
Grain—Mr. Hamilton, 1006.
Hogs in Quebec—Mr. Toupin, 449, 451.
Immigration, effect of—Mr. Leitch, 128; Mr. Cumming, 486; Mr. Spence, 807; Mr. Deachman, 933; Mr. Houson, 1758.
Milk—Mr. Leitch, 130; Mr. Toupin, 447, 450, 451, 461, 462; Mr. Leitch, 523 to 525; Mr. Fortier, 573; Mr. Ste. Marie, 621; Mr. Ruddick, 1579; Mr. Newman, 1624 to 1626.
Oats—Mr. Hamilton, 1006, 1008, 1010.
Rain, effect of—Mr. Spence, 799, 800 to 802; Mr. Williams, 821.
Rye—Mr. Hamilton, 1009, 1010.
Success requires more than—Mr. Bulman, 54, 55; Mr. Leitch, 102, 103; Mr. Thompson, 292; Mr. Leitch, 514, 516; Mr. Spence, 810, 811, 813, 816; Mr. Williams, 822; Mr. Hamilton, 1034, 1035, 1059; Mr. Imrie, 1432; Mr. McIntosh, 1784.
Sugar beets—Mr. Houson, 1755, 1759.
Turkeys—Mr. Spence, 809, 810.
West has reached limit of—Mr. Grant, 419.
Wheat—Mr. Grant, 410; Mr. Spence, 812, 813; Mr. Hamilton, 1006, 1008, 1010, 1011; Mr. Imrie, 1432, 1441.

PROFITS
Apple marketing—Mr. Scripture, 303 to 305; Mr. Sissons, 496.
Cattle, beef—Mr. Leitch, 93, 100, 102; Mr. Barton, 105, 107 to 110; Mr. McLean, 237.
Cattle, dairy—Mr. Leitch, 130, 131, 136; Mr. Toupin, 462; Mr. Ste. Marie, 621.
Fruit growing—Mr. Taylor, 49; Mr. Bulman, 59; Mr. Leitch, 139.
Grain—Mr. McLean, 238; Mr. Grant, 360, 366; Mr. Leitch, 510, 511.
Grain milling—Mr. Sissons, 495.
Hay—Mr. Leitch, 510, 511, 516; Mr. Pirie, 955.
Hog products—Mr. McLean, 244, 245; Mr. Light, 337; Mr. Leitch, 530.
Potatoes—Mr. Leitch, 511; Mr. Pirie, 954; Mr. Dewar, 1378; Mr. Estey, 1430.
Poultry—Mr. Leitch, 519 to 521.
Roots—Mr. Leitch, 510, 511.
Sheep—Mr. Cumming, 483.
Shipping—Mr. Curry, 153, 176.

PRUNES. See under "Fruit."

PURCHASING POWER
Europe—Mr. Leitch, 128; Mr. Jackman, 720; Mr. Deachman, 915; Mr. Gagne, 1045; Mr. Swanson, 1449, 1450, 1451, 1467.
Farm Products—Mr. Hamilton, 1033.

PURE BRED
Cattle—Mr. Grant, 375, 378, 379; Mr. Toupin, 461, 462; Mr. Cumming, 474; Mr. Sissons, 493; Mr. Ste. Marie, 622 to 624.

QUALITY. See also "Grading."
Apples—Mr. Bulman, 55, 56; Mr. Scripture, 302, 309, 310; Mr. Chase, 325; Mr. Cumming, 467 to 469; Mr. Sissons, 499, 500.
Butter—Mr. Leitch, 135; Mr. Cummings, 483; Mr. Fortier, 577, 578; Mr. Bourbeau, 579 to 582, 584, 587, 588; Mr. Hamilton, 1012; Mr. Ruddick, 1578 to 1585.
Cheese—Mr. Leitch, 135; Mr. Bourbeau, 579, 581, 583, 584, 588 to 590; Mr. Ruddick, 1578, 1579.
Cream—Mr. Bourbeau, 584, 585, 587.
Eggs—Mr. McLean, 253, 254; Mr. Grant, 411 to 415; Mrs. McNaughton, 431.
Milk—Mr. Leitch, 134; Mr. Toupin, 461, 462; Mr. Sissons, 494; Mr. Hughes, 552; Mr. Stonehouse, 593; Mr. Newman, 1624, 1625.
Wheat—Mr. Hamilton, 1010, 1011.

QUEBEC
Cattle, beef—Mr. Barton, 104 to 106, 108, 110; Mr. Ste. Marie, 606, 607.
Cattle, Dairy—Mr. Barton, 104, 112; Mr. Fortier, 567; Mr. Ste. Marie, 606, 607, 621.
Farm handicaps—Mr. Toupin, 451, 452.
Farming methods—Mr. Toupin, 449 to 451, 456, 460.
Field husbandry—Mr. Toupin, 451, 457.
Hog production—Mr. Toupin, 449, 451.
Mixed farming—Mr. Barton, 112, 113; Mr. Toupin, 450; Mr. Fortier, 577; Mr. Ste. Marie, 601, 604; Mr. Gagne, 1046.
Taxes—Mr. Fortier, 570, 573.

RADIO
Importance of—Mr. Light, 333; Mr. McMaster, 1777.

RAILWAYS. See "Transportation."

RAIN
Precipitation—Mr. Spence 799, 800 to 802; Mr. Williams, 821.

REARDON SMITH
Shipping Line—Mr. Doherty, 162; Mr. Cornell, 173, 178; Mr. Chase, 315, 316.

RECIPROCITY
Effect of—Mr. Bulman, 63.

RECORD OF PERFORMANCE
Dairy cattle—Mr. Barton, 113, 115, 118, 119; Mr. Leitch, 523 to 525; Mr. Ste. Marie, 623; Mr. Newman, 1623, 1624.

RECORD
Shipping line—Mr. Campbell, 71, 74, 79, 85, 86; Mr. Curry, 143, 144, 150; Mr. Doherty, 164; Mr. Cunningham, 189, 190, 193, 225; Mr. Ledingham, 266; Mr. Watts, 272; Mr. Motherwell, 328.

REGULATIONS. See "Great Britain" and "Manufacturers."

RELATION OF PRICES

Act—Authorizing Minister of Customs to value imports. Mr. Ward, 646, 672; Mr. Reid, 673.

Adjustment of prices, mode of—Mr. Grant, 402; Mr. Edwards, 446; Mr. Jackman, 689, 690, 695; Mr. King, 964; Mr. Gagne, 1049; Mr. Newman, 1588; Mr. McIntosh, 1797, 1798, 1799; Mr. Dougherty, 1805.

Adjustment of prices, likely above pre-war level—Mr. Grant, 402.

Advertising, amount spent in—Mr. Hurlbut, 1521.

Advertising, by price cutting—Mr. Stewart, 1223, 1224.

Advertising is economic loss—Mr. Sparks, 866.

Advertising increases commodity prices—Mr. Sparks, 866.

Advertising increases production—Mr. Hurlbut, 1527.

Agenda—Pages 7, 421.

Agenda—equalized freight rates—Pages 762 to 765.

Agricultural Conditions—in U.S. in 1920—Mr. King, 956, 957.

Agricultural Implement Manufacturers competing abroad want protection at home—Mr. Deachman, 925.

Agricultural Implements, prices increased Mr. Grant, 402; Mr. Bradshaw, 1248 to 1252. See Farm Machinery.

Agricultural Implements, tariff on, in France, Germany, Belgium and Denmark—Mr. Gilchrist, 940, 941. See Farm Machinery.

Agricultural Panic—due to relation of prices—Mr. Grant, 400, 402; Mr. Gagne, 1046; Mr. Bowman, 1115.

Agricultural products—decline in price of —Mr. Grant, 398.

Agricultural relief, in decreased commodity prices—Mr. Cumming, 472.

American vs. Canadian, average capital of shoe-factories—Mr. Deachman, 927; Mr. Warrington, 1180, 1181; Mr. Weaver, 1197, 1198.

American vs. Canadian, cost of manufacturing—Mr. Pedlow, 779, 781; Mr. Stewart, 1218 to 1222, 1224, 1231.

American vs. Canadian, cost of manufacturing shoes—Mr. Warrington, 1177, 1178; Mr. Daoust, 1189, 1190, 1191, 1204.

American vs. Canadian, cost of raw material—Mr. Campbell, 983, 984, 992, 993.

American vs. Canadian, price of boots—Mr. Hurlbut, 1532, 1533.

American vs. Canadian, shoe consumption —Mr. Weaver, 1202.

American vs. Canadian, shoe industry—Mr. Deachman, 927; Mr. Weaver, 1201, 1203 to 1207, 1210 to 1215.

RELATION OF PRICES—*Con.*

Anti Dumping Law, operation of—Mr. Taylor, 51, 52; Mr. Ward, 646; Mr. Reid, 672, 673; Mr. Sly, 752; Mr. Weaver, 1201; Mr. Drummond, 1677.

Automobiles, drawback of duty represents additional cost of material—Mr. Campbell, 994.

Automobiles, cost of, for pleasure—Mr. Hamilton, 1032.

Automobiles, (Ford), price of, in Canada and U.S.—Mr. Campbell, 986 to 990, 994 to 1000.

Automobiles, (Ford), price of, vs. Commodity prices—Mr. Campbell, 1001.

Automobiles, price of, affected by tariff—Mr. Deachman, 917; Mr. Campbell, 989 to 993.

Automobiles, price of, reduced by mass production—Mr. Deachman, 918; Mr. Campbell, 985, 986.

Automobiles, (Ford), profits on—Mr. Deachman, 922; Mr. Campbell, 981, 997.

Automobiles, (Ford), vs. raw material, prices of—Mr. Campbell, 1001.

Average price of farm products 1914-1921 —Mr. Grant, 398, 399, 400; Mr. Edwards, 446; Mr. Amos, 682, 683; Mr. Jackman, 699.

Bank reports, on Western Farm Conditions—Mr. Deachman, 914.

Bad Debts increase commodity prices—Mr. Swanson, 1455.

Beef, effect of centralized slaughtering—Mr. McLean, 246, 247, 248.

Beef Cattle, loss on, through lack of feed —Mr. Deachman, 914.

Beef, effect of price fixing—Mr. McLean, 236.

Beef, prices to producers vs. consumers—Mr. McLean, 249.

Beef, Retailers maintain increased prices of—Mr. McLean, 240, 241, 249.

Binders, cost of manufacturing and selling prices from 1914 to 1922—Mr. Bradshaw, 1281, 1282, 1501, 1502, 1512, 1513, 1514; Mr. Evans, 1551, 1552, 1553.

Binders, Canadian, price of in Roumania Mr. Bradshaw, 1506, 1509.

Binders, Canadian, for Roumania, price charged to Canadian Government—Mr. Bradshaw, 1509.

Boots, cost of production—Mr. Hurlbut, 1528, 1529. See shoes.

Boots, cost of increased by changes in styles—Mr. Stephens, 1539.

Boots, price of, retail—Mr. Stephens, 1538, 1539; Mr. McElroy, 1543, 1544.

Boots, price fixing of—Mr. Hurlbut, 1517 to 1527, 1534.

Boots, tariff on, American vs. Canadian—Mr. Deachman, 926; Mr. Weaver, 1199.

Boots, price and quality of, Canadian vs. American—Mr. Hurlbut, 1532, 1533.

Bran and shorts, export price lower than local—Mr. Leitch, 526, 527; Mr. Reid, 666.

RELATION OF PRICES—*Con.*

Bran and shorts, (Canadian made), price in U.S. and Calgary—Mr. Reid, 666, 667.
Bran and shorts, price in Edmonton—Mr. Watts, 285.
Bran and shorts, price in Fort William—Mr. Reid, 666.
Bran and shorts, price in N.S.—Mr. Cumming, 486.
Bran and shorts, price in Ontario—Mr. Watts, 285; Mr. Sissons, 495; Mr. Leitch, 526, 527; Mr. Reid, 667.
Budget, Family—Mr. Amos, 681, 682.
Building Materials vs. Farm Machinery, prices of—Mr. Amos, 675, 676.
Butter, price of affected by oleomargarine —Mr. Fortier, 577; Mr. Stonehouse, 598.
Butter, price of in Saskatchewan—Mr. Hamilton, 1012.
Butter, wholesale and retail prices of—Mr. Fortier, 572.
Canadian manufacturers meeting competition abroad want protection at home—Mr. Deachman, 925.
Canadian Manufacturers' prices based on cost, plus duty, plus profit—Mr. Ward, 629, 631.
Canadian Manufacturers selling cloth in U.S. market—Mr. Pedlow, 793.
Canadian vs. American, average capital of shoe factories—Mr. Deachman, 927; Mr. Warrington, 1180, 1181; Mr. Weaver, 1197, 1198.
Canadian vs. American, cost of manufacturing—Mr. Pedlow, 779, 781; Mr. Stewart, 1218 to 1222, 1224, 1231.
Canadian vs. American cost of manufacturing shoes—Mr. Warrington, 1177, 1178; Mr. Daoust, 1189, 1190, 1191, 1204.
Canadian vs. American, cost of raw material—Mr. Campbell, 983, 984, 992, 993.
Canadian vs. American price of boots—Mr. Hurlbut, 1532, 1533.
Canadian vs. American shoe consumption —Mr. Weaver, 1202.
Canadian vs. American shoe industry—Mr. Deachman, 927; Mr. Weaver, 1201, 1203 to 1207, 1210 to 1215.
Capitalization of profits, effect of on prices—Mr. Jackman, 713, 714; Mr. Warrington, 1182; Mr. Weaver, 1196.
Capital, average of shoe factories, Canadian vs. American—Mr. Deachman, 927; Mr. Warrington, 1180, 1181; Mr. Weaver, 1197, 1198.
Capital required in industries, 1913-1923—Mr. Bradshaw, 1255.
Cartage rates, effect on prices—Mr. Sissons, 502.
Cash basis for commodities—Mr. Sly, 761; Mr. Benson, 892, 893; Mr. Bradshaw, 1255, 1278, 1283; Mr. Swanson, 1457.
Cattle, Dairy, Price of—Mr. Ste. Marie, 608.
Cattle, losses on—Mr. Grant, 362; Mr. Deachman, 914.

RELATION OF PRICES—*Con.*

Cattle, losses on British market—Mr. Light, 340.
Cattle, producer's profit absorbed by transportation—Mr. Light, 339.
Cause of difference in relation of prices—Agenda, 2, 7; Mr. Edwards, 438; Mr. Jackman, 688; Mr. Deachman, 915; Mr. Gagne, 1045; Mr. Hamilton, 1060, 1061.
Cheese, price of in Ontario—Mr. Stonehouse, 595.
Cheese, price of Ontario cheese in West —Mr. Stonehouse, 595.
Cheese, variation in price to consumer—Mr. Stonehouse, 595.
Cherries, cost of picking and packing—Mr. Sissons, 496.
Cherries, net return to producer—Mr. Sissons, 496, 497.
Cherries, price paid by consumer—Mr. Sissons, 497. See fruit.
Cherries, price paid producer in Toronto —Mr. Sissons, 496.
Cloth, exported from Canada to United States—Mr. Pedlow, 793.
Clothing manufacturers vs. Western farmers condition—Mr. Sparks, 855.
Clothing, percentage of cost of living—Mr. Sparks, 851.
Clothing, controlled by combine—Mr. Pedlow, 778, 780.
Clothing, prices of—Mrs. McNaughton, 426; Mr. Sly, 724; Mr. Pedlow, 775, 776, 791, 792; Mr. Sparks, 850, 855; Mr. Hamilton, 1021; Mr. Stewart, 1231.
Clothing, woollen, price of in Canada vs. England—Mr. Sparks, 850, 854.
Clothing, woollen, price of in Canada vs United States—Mr. Sparks, 850, 854.
Coal, Nova Scotia soft, great saving to consumers—Mr. Cumming, 477.
Coal, price of—Mr. Grant, 399; Mr. Cumming, 478.
Cold Storage, lack of, increases price to consumer—Mr. Cumming, 484.
Cold Storage, lack of, decreases price to producer—Mr. Cumming, 484.
Collars, price of controlled by combine—Mr. Pedlow, 778, 780.
Collars, cost of manufacturing in Canada vs. U.S.—Mr. Pedlow, 779; Mr. Stewart, 1218, 1221, 1222.
Collars, price of in Canada and U.S.—Mr. Pedlow, 779, 781; Mr. Stewart, 1218, 1219, 1220, 1221, 1222, 1224, 1231.
Combines, in Canada—Mr Edwards, 445; Mr. Sissons, 491; Mr. Jackman, 688, 689; Mr. Sly, 749, 750 to 755; Mr. Pedlow, 777, 778, 781, 782; Mr. Sparks, 854, 858; Mr. Pirie, 951, 953; Mr. Bowman 1137, 1150, 1154; Mr. Stewart, 1227, 1228; Mr. Farrow, 1299 to 1303; Mr. Hurlbut, 1535; Mr. Trowern, 1559, 1560.
Combines, benefit of—Mr. Bowman, 1154.
Combines in Canada in collusion with combines in U.S.—Mr. Sly, 751, 752.

RELATION OF PRICES—*Con.*

Combine in Cuba controls potato prices—Mr. Dewar, 1381, 1384.

Combines, effect on, of removal of tariff—Mr. Ward, 629.

Commercial Travellers, cost of—Mr. Sparks, 863, 868; Benson, 901.

Commodity prices affected by distribution—Mr. Sly, 721, 722, 745, 757; Mr. Sparks, 863, 867, 868; Mr. Benson, 888, 889, 904, 905; Mr. Deachman, 915; Mr. Campbell, 995; (letter from) Canadian Cottons, 1002, 1003, 1004.

Commodity prices affected by labour—Grant, 401; Mr. Jackman, 694; Mr. McConnell, 1727.

Commodity prices affected by tariff—Mr. Edwards, 442; Mr. Fortier, 571; Mr. Ward, 627, 633; Mr. Jackman, 710; Mr. Sly, 752; Mr. Deachman, 916, 917, 922, 923; Mr. Bowman, 1155.

Commodity prices, Canadian, just under American price plus duty—Mr. Pedlow, 793; Mr. Deachman, 916.

Commodity prices, Canada vs. England—Mr. Sparks, 850.

Commodity prices can be regulated by production—Mr. Stonehouse, 594.

Commodity prices, comparison 1914-1922—Mrs. McNaughton, 426; Mr. Amos, 680, 681; Mr. Pedlow, 776; Mr. Spence, 811, 812; Mr. Sparks, 856; Mr. Campbell, 1001; Mr. Hamilton, 1013; Mr. McConnell, 1727.

Commodity prices controlled by manufacturer—Mr. Sly, 721 to 760; Mr. Pedlow, 777 to 784; Mr. Benson, 888 to 899, 902 to 905; letter Canadian Cottons, 1002, 1003, 1004; Mr. Warrington, 1170; Mr. McConnell, 1739; Mr. Turnbull, 1762 to 1765.

Commodity prices, effect of mass production vs. limited production—Mr. Sparks, 852, 853; Mr. Deachman, 918; Mr. Campbell, 985, 986; Mr. Warrington, 1178, 1180; Mr. Daoust, 1190; Mr. Weaver, 1209; Mr. Stewart, 1217, 1218; Mr. Bradshaw, 1244, 1497; Mr. Drummond, 1686, 1703; Mr. McConnell, 1728.

Commodity prices, increased by too many middlemen—Mr. Bowman, 1155; Mr. Stephens, 1542.

Commodity prices vs. farm machinery—Mr. Hamilton, 1013, 1014, 1015; Mr. Bradshaw, 1257, 1269 to 1278.

Commodity prices vs. farm products—Mr. Bulman, 61; Mr. Grant, 399, 400, 401; Mrs. McNaughton, 426, 427; Mr. Cumming, 472, 477, 478; Mr. Fortier, 566, 567, 568, 570, 571, 573; Mr. Stonehouse, 592; Mr. Ste. Marie, 620; Mr. Ward, 633; Mr. Reid, 650; Mr. Jackman, 688; Mr. Benson, 896, 897; Mr. Deachman, 912; Mr. Hamilton, 1013, 1021, 1037; Mr. Gagne, 1045; Mr. Bowman, 1115, 1127, 1147, 1148; Mr. Fraser, 1349, 1367; Mr. Swanson, 1456, 1457; Mr. Newman, 1586, 1587; Mr. Fairbairn, 1640, 1646, 1660; Mr. McIntosh, 1783, 1784, 1787 to 1790; Mr. Hanson, 1827, 1828.

Commodity prices vs. automobile (Ford) prices—Mr. Campbell, 1001.

Commodity prices, index of—Mr. Edwards, 447; Mr. Jackman, 699.

Commodity prices, inflation of, increased farmers debts—Mr. Edwards, 445.

Commodity prices increased by advertising—Mr. Sparks, 866.

Commodity prices increased by bad debts—Mr. Swanson, 1455.

Commodity prices increased by system of distribution—Mr. Sparks, 867, 868.

Commodity prices in Canada high on account of scattered population—Mr. Sparks, 863; Mr. Deachman, 915; Mr. Campbell, 995; Mr. Bowman, 1153, 1155; Mr. Weaver, 1212.

Commodity prices, increase in United States—Mr. Grant, 401.

Commodity prices in Canada vs. United States—Mr. Fortier, 571; Mr. Sly, 734, 736, 737, 752; Mr. Pedlow, 791, 792; Mr. Sparks, 850, 854.

Commodity prices increased by sales tax—Mr. Bradshaw, 1254; Mr. Farrow, 1308, 1309; Mr. Fairbairn, 1660.

Commodity prices increased by speculation Mr. Leitch, 514.

Commodity prices, mail order vs. country store—Mr. Sly, 755.

Commodity prices, methods of reducing—Mr. Sly, 721, 722.

Commodity prices prohibitive to success of Western farmers—Mr. Grant, 376; Mr. Edwards, 437; Mr. Reid, 650.

Commodity prices vs. raw material—Mr. Bowman, 1148; Mr. Bradshaw, 1273, 1280.

Commodity prices, reduction in wholesale vs. retail—Mr. Swanson, 1456.

Commodity prices set on cost plus profit basis—Mr. Edwards, 445; Mr. Stonehouse, 594; Mr. Ste. Marie, 626; Mr. Ward, 629, 631; Mr. Jackman, 695.

Commodity prices, trade fairs vs. commercial travellers—Mr. Sparks, 868.

Commodity prices, urban vs. rural—Mr. Hughes, 559.

Commodities, distribution of cheaper through regular wholesalers—Mr. Benson, 888, 889, 904, 905; Canadian Cottons, 1002, 1003, 1004; Mr. Pyke, 1576.

Commodities, distribution of, co-operative vs. wholesale methods—Mr. Benson, 890 to 906.

Commercial travellers vs. trade fairs—Mr. Stewart, 1233.

Comparison of farm product and wholesales prices—Mr. Grant, 400.

RELATION OF PRICES—*Con.*

Compensation, farming vs. other industries—Mr. Edwards, 444, 445; Mr. Ste. Marie, 626.

Conditions, adverse, beyond farmer's control—Mr. Jackman, 688, 695, 700; Mr. Williams, 817, 818.

Conditions, adverse, within farmer's control—Mr. Jackman, 688, 691; Mr. Williams, 817, 818, 832, 835 to 838.

Conditions, adverse, causes of—Mr. Bowman, 1115, 1116, 1117, 1118, 1123 to 1127, 1146; Mr. Swanson, 1449, 1450.

Conditions, Agricultural, in U.S., 1920—Mr. King, 956, 957.

Conditions, Western agricultural, bank reports on—Mr. Deachman, 914.

Congoleum rugs, prices fixed by manufacturers—Mr. Pedlow, 782, 783.

Consumers, purchasing power of—Mr. Fairbairn, 1662.

Consumers, relation of city and farm—Mr. Grant, 402.

Containers, additional duty charged on—Mr. Sly, 737.

Containers, fruit, cost of—Mr. Sissons, 503; Mr. Fairbairn, 1642.

Co-operation of farmers necessary to adjust prices—Mr. Sissons, 490, 491; Mr. Stonehouse, 596; Mr. Ste. Marie, 626; Mr. Jackman, 688, 689, 690, 695; Mr. Benson, 896; Mr. King, 964; Mr. Gagné, 1049; Mr. Newman, 1588; Mr. McIntosh, 1797, 1798, 1799; Mr. Dougherty, 1805.

Co-operation, opposition to—Mr. Sparks, 864, 865, 868; Mr. Newman, 1588; Mr. McIntosh, 1798, 1799; Mr. Hamilton, 1021.

Co-operative buying, saving by—Mr Dewar, 1373, 1374; Mr. McIntosh, 1800.

Co-operative development—Mr. Taylor, 41; Mr. Sissons, 506; Mr. Leitch, 514; Mr. Trowern, 1566, 1567.

Co-operative efforts in fruit industry of Ontario—Mr. Fairbairn, 1635, 1636, 1647.

Co-operative efforts of New Brunswick farmers financially unsuccessful—Mr. Pirie, 951; Mr. McIntosh, 1799.

Co-operative organizations, farmers not loyal to—Mr. Jackman, 691; Mr. Pirie, 951; Mr. McIntosh, 1798, 1799, 1800.

Co-operative, vs. individual effort—Mr. Jackman, 688, 689, 690, 693; Mr. Sparks, 851.

Co-operative, vs. wholesale method of distribution—Mr. Benson, 890 to 906.

Copper, price of—Mr. Grant, 399.

Corn, price of in Ontario—Mr. Sissons, 491.

Cornstarch and corn syrup manufacturers refuse to sell to Merchants Consolidated Ltd.—Mr. Sly, 731.

Corn Syrup prices, American and Canadian—Mr. Sly, 734, 736, 737.

RELATION OF PRICES—*Con.*

Cost of advertising—Mr. Hurlbut, 1521.

Cost of manufacturing, comparison of 1913 with 1923—Mr. Bradshaw, 1255.

Credit expansion, cause of rise in prices—Mr. Grant, 402.

Competition, affected by tariff—Mr. Bowman, 1149.

Competition controls fruit prices—Mr. Taylor, 53.

Competition eliminated in Canada—Mr. Edwards, 445; Mr. Jackman, 688, 689; Mr. Sly, 759; Mr. Sparks, 852, 854, 861, 865; Mr. Warrington, 1178; Mr. Daoust, 1190; Mr. Weaver, 1212, 1215.

Competition in Canada, too keen in shoe industry—Mr. Warrington, 1178; Mr. Daoust, 1190; Mr. Weaver, 1212, 1215.

Competition in cotton, in Canada—Mr Sparks, 852.

Competition should control price—Mr. Sly, 735, 755, 759.

Competition unrestricted in clothing business in Canada—Mr. Sparks, 852, 853, 854, 861, 865.

Competitive vs. fixed prices—Mr. Sparks, 870.

Cotton, competition in—Mr. Sparks, 852, 853.

Cotton, comparative prices of 1913-1923—Mr. Pedlow, 775, 776.

Cotton dresses, price in Canada and United States—Mr. Pedlow, 791, 792.

Cotton, Canadian manufacturers of, not combined—Mr. Sparks, 858.

Cotton, price of—Mr. Stewart, 1231.

Cotton, price in Canada vs. England—Mr. Sparks, 854.

Cotton, price in Canada vs. United States—Mr. Sparks, 854.

Cotton, reduction to consumer—Mr. Sly, 724.

Crop estimates induce speculation—Mr. Pyke, 1574, 1575; Mr. Drummond, 1670 1671; 1706; Mr. McConnell, 1721; Mr. Hobbins, 1741; Mr. Neill, 1749; Mr Turnbull, 1768.

Crop estimates, effect on prices—Mr Pyke, 1574, 1575; Mr. McConnell, 1711, 1714, 1715, 1721; Mr. Hobbins, 1741; Mr. Neill, 1748, 1749; Mr. Turnbull, 1768.

Crude Oil, price of—Mr. Grant, 399.

Customs Tax, pyramiding of profit on—Mr. Ward, 629, 631; Mr. Pedlow, 784 to 795; Mr. Sparks, 873 to 887, 907 to 911; Mr. Bowman, 1155.

Dairy Cattle, deflation in—Mr. Sissons. 493, 494.

Dairy cattle, pure bred, price of—Mr. Ste. Marie, 608.

Dairy Companies stock, price of—Mr. Sissons, 493.

Dairy farming unprofitable—Mr. Sissons, 492, 493, 504; Mr. Fortier, 574, 575, 576; Mr. Stonehouse, 600; Mr. Newman, 1631.

RELATION OF PRICES—*Con.*

Dairy produce vs. groceries—Mr. Grant, 369.
Debt, farmers, percentage owing on implements—Mr. Bradshaw, 1500.
Debt of farmers due to inflated commodity prices and bad crops—Mr. Edwards, 445.
Debts of farmers increased by relative prices—Mr. Edwards, 437.
Deflation in commodity prices less than in farm products—Mr. Edwards, 445, 446; Mr. Sissons, 507; Mr. Jackman, 694, 699; Mr. Hamilton, 1029; Mr. Bowman, 1115, 1128.
Deflation in dairy cattle—Mr. Sissons, 493, 494.
Deflation in dairy industry—Mr. Leitch, 535.
Deflation in farm products—Mr. Hamilton, 1029.
Deflation, manufacturing corporations unwilling to bear share of—Mr. Amos, 686.
Deflation, manufacturers' losses through—Mr. Bowman, 1128, 1129.
Deflation in labour—Mr. Jackman, 694, 699.
Deflation, retailers' losses through—Mr. McLean, 1165.
Deflation in value of farms—Mr. Sissons, 493.
Depression world wide—Mr. Grant, 402.
Depression, causes of—Mr. Grant, 402.
Distribution, cheapest method of—Mr Benson, 888, 889, 904, 905; Canadian Cottons, 1002, 1003, 1004; Mr. Pyke, 1576.
Distribution costs in Canada high owing to scattered population—Mr. Sparks, 863; Mr. Deachman, 915; Mr. Campbell, 995; Mr. Bowman, 1153, 1155; Mr. Weaver, 1212.
Distribution of commodities controlled by associations and manufacturers to maintain prices—Mr. Sly, 723 to 760; Mr. Benson, 888 to 899, 902 to 905; Canadian Cottons, 1002, 1003, 1004; Mr. McConnell, 1739; Mr. Turnbull, 1762, 1763, 1764, 1765.
Distribution system increases commodity prices—Mr. Sparks, 867, 868.
Distribution, trade fairs vs. commercial travellers—Mr. Sparks, 863, 868; Mr. Benson, 901; Mr. Stewart, 1233.
Dividends paid in stock—Mr. Warrington, 1182; Mr. Weaver, 1196.
Duty, additional, charged on containers—Mr. Sly, 737.
Duty, American, on sugar—Mr. King, 936; Mr. Drummond, 1686, 1688.
Duty, American, on sugar beets—Mr. Houson, 1815, 1816.
Duty, British, on sugar—Mr. Hobbins, 1691; Mr. McConnell, 1691; Mr. Hobbins, 1717.
Duty, Canadian, on Cuban sugar—Mr. Drummond, 1666, 1677.

RELATION OF PRICES—*Con.*

Duty, Government gets only portion of—Mr. Ward, 629, 631; Mr. Pedlow, 785, 790; Mr. Sparks, 873 to 887, 907 to 911; Mr. Bowman, 1155.
Duty on farm equipment—Mr. Ward, 627, 641; Mr. Reid, 649, 650; Mr. Fairbairn, 1655.
Duty on leather—Mr. Warrington, 1174, 1175.
Duty on raw material—Mr. Sly, 737, 753.
Duty on rubbers coming into Canada—Mr. Sly, 752.
Duty on machinery—Mr. Warrington, 1178; Mr. Weaver, 1205, 1206; Mr. Fairbairn, 1655.
Duty, American, on potatoes—Mr. Dewar, 1378.
Duty, pyramiding of profit on—Mr. Ward, 629, 631; Mr. Pedlow, 783 to 795; Mr. Sparks, 873 to 887, 907 to 911; Mr. Bowman, 1155.
Duty, rate of on automobiles—Mr. Campbell, 989.
Duty, rate of on raw materials—Mr. Campbell, 991, 992, 993 994.
Duty, refund of on fruit containers—Mr. Sissons, 504.
Economic Spree; cause of adverse conditions—Mr. Bowman, 1115.
Education, advantage of to farmer—Mr. Gagne, 1046.
Education, effect of on farmer's income—Mr. Gagne, 1046, 1047.
Eggs, price paid producer in Ontario—Mr. Leitch, 519.
Eggs, price paid to producer in Sask.—Mr. Grant, 415, Mr. Leitch, 519.
Emigration caused by relation of prices—Mr. Stonehouse, 592; Mr. Deachman, 913, 914; Mr. Pirie, 948, 949, 954; Mr. King, 979; Mr. Gagne, 1048.
Equalization of farm product and commodity prices—Mr. Stonehouse, 592.
Equalized freight rates—on sugar—Agenda, 762 to 765; Mr. Pyke, 1554 to 1573; Mr. Drummond, 1672 to 1675; Mr. McConnell, 1734 to 1738; Mr. Houson, 1762; Mr. Turnbull, 1764, 1765.
Evolution of Agriculture—Mr. Bowman, 1146.
Exports of leather—Mr. Daoust, 1191.
Export prices regulate farm product prices—Mr. Sissons, 506; Mr. Ward, 633; Mr. Hamilton, 1037.
Export vs. home prices of farm machinery—Mr. Bradshaw, 1259, 1279.
Export of farm machinery—Mr. Bradshaw, 1233, 1278.
Export of flour benefit to consumer—Mr. Watts, 286, 287; Mr. Thompson, 290; Mr. Watts, 298.
Export price of flour does not determine home price—Mr. Watts, 286.
Export of shoes from Canada—Mr. Weaver, 1202, 1203.

RELATION OF PRICES—*Con.*

Failures in U.S. shoe industry—Mr. Weaver, 1214.
Failures in Canada—Mr. Weaver, 1197, 1212, 1214; Mr. Bradshaw, 1239.
Family Budget, actual requirements—Mr. Amos, 681, 682.
Farm investment, rate of interest received on—Mr. Williams, 819, 820, 824, 825.
Farms, price of—Mr. Sissons, 489; Mr. Dewar, 1370.
Farms, deflation in value of—Mr. Sissons, 493.
Farms, price of in Kansas—Mr. Bowman, 1146.
Farms, price of in Niagara district—Mr. Fairbairn, 1651, 1652.
Farms, price of in Quebec—Mr. Ste. Marie, 613, 614, 615.
Farms, price of in P.E.I.—Mr. Dewar, 1369, 1370.
Farm equipment, duty on—Mr. Ward, 627, 641; Mr. Reid, 649, 650; Mr. Fairbairn, 1655.
Farm equipment prices, effect of Anti-dumping law—Mr. Reid, 672, 673.
Farm equipment prices, comparison of Canadian and American—Mr. Reid, 648 to 651; Mr. Amos, 677; Mr. Pirie, 948; Mr. Bradshaw, 1263 to 1267.
Farm equipment prices, comparison of dutiable and non-dutiable—Mr. Amos, 677, 678, 679.
Farm equipment prices, comparison of 1914-1922—Mr. Amos, 676.
Farm equipment prices, affected by transportation—Mr. Edwards, 442, 447.
Farm equipment prices, increase in—Mr. Fortier, 576; Mr. Ward, 629, 630, 631, 641; Mr. Amos, 676; Mr. Bradshaw, 1236, 1247, 1253, 1257; Mr. Fairbairn, 1655.
Farm machinery prices affected by labour —Mr. Grant, 401; Mr. Amos, 679; Mr. Jackman, 694; Mr. Bradshaw, 1251, 1253.
Farm machinery vs. building material, price of—Mr. Amos, 675, 676.
Farm machinery vs. commodity prices—Mr. Hamilton, 1013, 1014, 1015; Mr. Bradshaw, 1257, 1269 to 1278.
Farm machinery prices, comparison of Canadian and American—Mr. Reid, 648, 649, 650, 651; Mr. Amos, 677; Mr. Pirie, 948; Mr. Bradshaw, 1263 to 1267.
Farm machinery prices, comparison of in different countries—Mr. Deachman, 923.
Farm machinery prices, comparison of dutiable and non-dutiable—Mr. Amos, 677, 678, 679.
Farm machinery prices increased by sales tax—Mr. Bradshaw, 1254.
Farm machinery, manufacturing cost of in Canada—Mr. Bradshaw, 1281, 1282, 1501, 1502, 1512, 1513, 1514; Mr. Evans, 1551, 1552, 1553.

RELATION OF PRICES—*Con.*

Farm machinery, manufacturing cost of, Canada vs. United States—Mr. Bradshaw, 1234, 1235.
Farm machinery, duty on, in France, Germany, Belgium and Denmark—Mr. Gilchrist, 940, 941.
Farm machinery prices, effect of tariff on —Mr. Deachman, 923.
Farm machinery prices, export vs. home—Mr. Bradshaw, 1259, 1279, 1506, 1509.
Farm machinery prices, effect of anti-dumping law—Mr. Reid, 672, 673.
Farm machinery, export of—Mr. Bradshaw —1233, 1278.
Farm machinery vs. farm products—Mr. Bradshaw, 1503 to 1508.
Farm machinery, improvements in increase cost—Mr. Bradshaw, 1258, 1261, 1263.
Farm machinery prices increased by bad debts—Mr. Swanson, 1457.
Farm machinery, losses on, by United Grain Growers—Mr. Bradshaw, 1241, 1242, 1243.
Farm machinery manufacturers, interest rate charged by—Mr. Bradshaw, 1499, 1500.
Farm machinery manufacturers giving farmer benefit of reduced costs—Mr. Bradshaw, 1236, 1254, 1573.
Farm machinery manufacturers losses—Mr. Bradshaw, 1237 to 1239, 1282.
Farm machinery, percentage of increase in cost and selling price—Mr. Bradshaw, 1248 to 1252.
Farm machinery, reduction in price of—Mr. Bradshaw, 1236, 1247.
Farm machinery sold on credit—Mr. Bradshaw, 1255, 1278, 1283.
Farm machinery, United Grain Growers quit dealing in—Mr. Bradshaw, 1242, 1243.
Farm products prices affected by tariff—Mr. Fortier, 571; Mr. Deachman, 916, 917, 922, 923.
Farm products, prices 1914-1921—Mr. Grant, 398, 399, 400; Mr. Edwards, 446; Mr. Amos, 682, 683; Mr. Jackman, 699.
Farm products, prices below cost of production—Mr. Chase, 315, 323; Mr. Pirie, 945, 950; Mr. Hamilton, 1027; Mr. Hatfield, 1410, 1415.
Farm products, prices better through co-operative marketing—Mr. Stonehouse, 592.
Farm Products, vs. commodity prices—Mr. Bulman, 61; Mr. Grant, 361, 369, 391, 400, 401; Mrs. McNaughton, 426; 427; Mr. Cumming, 472, 477, 478; Mr. Sissons, 497; Mr. Fortier, 566 to 573; Mr. Stonehouse, 592; Mr. Ste. Marie, 620; Mr. Ward, 633; Mr. Reid, 650; Mr. Amos, 680, 681; Mr. Jackman, 688; Mr. Williams, 834; Mr. Benson, 896, 897; Mr. Deachman, 912; Mr. Pirie, 954, 955; Mr. Hamilton, 1013, 1021, 1037; Mr. Gagne, 1045; Mr. Bowman, 1115,

RELATION OF PRICES—*Con.*

1127, 1147, 1148; Mr. Fraser, 1349, 1367; Mr. Swanson, 1456, 1457; Mr. Newman, 1586, 1587; Mr. Fairbairn, 1640, 1646, 1660; Mr. McIntosh, 1783 to 1790; Mr. Houson, 1827, 1828.

Farm products, price of controlled by export prices—Mr. Sissons, 506; Mr. Ward, 633; Mr. Hamilton, 1037.

Farm products, prices, deflation in—Mr. Edwards, 445, 446; Mr. Sissons, 507; Mr. Jackman, 694, 699; Mr. Hamilton, 1029; Mr. Bowman, 1115, 1128.

Farm products, purchasing power—Mr. Grant, 389, 398, 400, 403; Mr. Reid, 563; Mr. Hamilton, 1020, 1033.

Farm products, vs. farm labour—Mr. Stonehouse, 592; Mr. Jackman, 688.

Farm products, vs. farm machinery—Mr. Bradshaw, 1503 to 1508.

Farm products, price control by production impossible—Mr. Bulman, 61; Mr. Stonehouse, 594; Mr. Jackman, 692.

Farm products, value increasing—Mr. Grant, 403.

Farm products, price index—Mr. Edwards, 447; Mr. Jackman, 699.

Farm products, prices affected by location—Mr. Edwards, 442; Mr. Deachman, 916; Mr. Hamilton, 1037.

Farm products, prices affected by market conditions—Mr. Deachman, 914.

Farm products, price fixing impossible—Mr. Jackman, 695.

Farm products, prices reduced by bad system of marketing—Mr. Stonehouse, 594; Mr. Jackman, 688 to 692.

Farm products, production vs. price—Mr. Fortier, 574; Mr. Jackman, 689 to 695.

Farm products, prices affected by lack of cold-storage—Mr. Cumming, 484.

Farm products, prices to producer vs. consumer—Mr. Chase, 320; Mr. Stonehouse, 595; Mr. Estey, 1424; Mr. Newman, 1587.

Farm products, world supply and demand —Mr. Grant, 403.

Farm products—See apples, butter, corn, eggs, fruit, flour, milk, potatoes, tomatoes.

Farmers' adverse conditions, causes of—Mr. Bowman, 1115 to 1118; 1123 to 1127; Mr. Swanson, 1449, 1450.

Farmers affected by industrial labour—Mr. Grant, 403; Mr. Jackman, 694.

Farms bear burden of taxes—Mr. Ward, 634, 636.

Farmers buying in protected market, selling in open market—Mr. Edwards, 445; Mr. Ward, 627; Mr. Jackman, 692, 720.

Farmers buying as retailers, selling as wholesalers—Mr. McIntosh, 1798.

Farmers' control over adverse conditions —Mr. Jackman, 688, 691, 695, 700; Mr. Williams, 817, 818, 832, 835 to 838.

RELATION OF PRICES—*Con.*

Farmers' debts, percentage owing on implements—Mr. Bradshaw, 1500.

Farmer exploited by implement companies—Mr. Swanson, 1453, 1454, 1455.

Farmers forced to organize to combat unfair prices—Mr. Sissons, 491; Mr. Stonehouse, 596; Mr. Jackman, 688, 689, 690, 695; Mr. Benson, 896; Mr. King, 964; Mr. Gagne, 1049; Mr. Newman, 1588; Mr. McIntosh, 1797, 1798, 1799; Mr. Dougherty, 1805.

Farmers' income as manager—Mr. Grant, 356, 371.

Farmers' losses—Mr. Taylor, 38, 39; Mr. Bulman, 56; Mr. Cumming, 465; Mr. Sissons, 493, 504, 505; Mr. Leitch, 524; Mr. Fortier, 574, 575, 576; Mr. Stonehouse, 600; Mr. Reid, 650; Mr. Deachman, 914; Mr. Hamilton, 1029; Mr. Gagne, 1043, 1044; Mr. Hatfield, 1415; Mr. Newman, 1631.

Farmers' losses should be assumed by Government—Mr. Fortier, 574, 575, 576.

Farmers' morale, low due to relation of prices—Mr. Grant, 400, 401; Mr. Edwards, 432; Mr. Deachman, 914, 915; Mr. Hamilton, 1020; Mr. Imrie, 1439.

Farmers not loyal to their organizations—Mr. Jackman, 691; Mr. Pirie, 951; Mr. McIntosh, 1798, 1799, 1800.

Farmers not organized, dealing with organized groups—Mr. Jackman, 688, 689, 690; Mr. Benson, 896.

Farmers not organized to maintain prices —Mr. Sissons, 490; Mr. Ste. Marie, 626; Mr. Jackman, 688, 689, 690.

Farmers, organization of necessary—Mr. Taylor, 41; Mr. Sissons, 506; Mr. Leitch, 514; Mr. Jackman, 689, 690; Mr. Hamilton, 1021; Mr. Gagné, 1048, 1049; Mr. Dewar, 1373, 1374; Mr. McIntosh, 1800; Mr. Trowern, 1566, 1567; Mr. Fairbairn, 1635, 1636, 1637.

Farmers' prospects—Mr. Newman, 1587, 1631.

Farmers' prosperity shown by cash returns —Mr. Ward, 644, 645; Mr. Spence, 812; Mr. Williams, 819, 820, 824 to 829.

Farmer's production vs. needs—Mr. Grant, 405.

Farmers' purchasing power—Mr. Grant, 389; Mr. Reid, 563; Mr. Stonehouse, 592, 594; Mr. Jackman, 694, 715; Mr. Sly, 741; Mr. Spence, 812, 814; Mr. Hamilton, 1020, 1021, 1022, 1033; Mr. Fairbairn, 1662.

Farmers' receipts vs. expenses—Mr. Grant, 364, 366, 370, 374; Mr. Reid, 650; Mr. Hamilton, 1025, 1026.

Farmer's returns vs. costs on fruit—Mr. Taylor, 39, 40; Mr. Bulman, 56, 62, 63; Mr. Scripture, 305; Mr. Sissons, 496, 497; Mr. Fairbairn, 1637, 1638.

RELATION OF PRICES—*Con.*

Farmer's returns vs. land values—Mr. Fortier, 573; Mr. Ste. Marie, 613; Mr. Williams, 843.

Farmers' returns vs. Milling companies returns—Mr. Reid, 664, 665.

Farmers' standard of living, higher than formerly—Mr. Hamilton, 1032.

Farmers' success impossible, due to commodity prices—Mr. Grant, 376; Mr. Edwards, 437; Mr. Reid, 650.

Farmers unable to control relation of prices—Mr. Jackman, 688; Mr. Hamilton, 1060, 1061.

Farming methods should be improved—Mr. Hamilton, 1034, 1035; Mr. Gagne, 1044, 1046.

Farming not profitable—Mr. Sissons, 505; Mr. Leitch, 524; Mr. Reid, 650; Mr. Hamilton, 1029; Mr. Gagne, 1043, 1044.

Farming readjustment caused by freight rates—Mr. Grant, 399, 400.

Farming vs. other business—Mr. Edwards, 444, 445; Mr. Ste. Marie, 626.

Farm labour, cost of increasing—Mr. Grant, 401; Mr. Amos, 674; Mr. Bowman, 1148.

Farm labour, cost of, New Brunswick vs. Maine—Mr. Pirie, 948, 955.

Farm labour vs. city labour—Mr. Edwards, 447; Mr. Stonehouse, 593; Mr. Amos, 674, 679; Mr. Spence, 813; Mr. Williams, 833.

Farm labour vs. farm machinery—Mr. Grant, 399.

Farm labour vs. farm products—Mr. Grant, 399; Mr. Jackman, 688.

Farm labour vs. railway labour—Mr. Fairbairn, 1645.

Farm labour in England, 1913—Mr. Cumming, 468.

Farm labour income—Mr. Grant, 364, 365, 366, 370, 375; Mr. Toupin, 449, 450, 457, to 460; Mr. St. Marie, 615, 625.

Farm labour, wages paid by farmers—Mr. Amos, 675, 679; Mr. Spence, 807; Mr. Williams, 819, 833; Mr. Fraser, 1349; Mr. Fairbairn, 1642, 1645.

Feed, farmers unable to purchase—Mr. Stonehouse, 592.

Fertilizer bought on time, chemicals cash only—Agenda, 766, 767, 768; Mr. Pirie, 949.

Fertilizer chemicals, price in New Brunswick—Agenda, 766, 771, 772, 773, 774.

Fertilizer chemicals, duty free into Canada—Agenda, 767; Mr. Pirie, 949; Mr. Hatfield, 1418, 1419.

Fertilizer, manufacturers prices vs. raw material—Agenda, 766, 768, 769, 772.

Fertilizer, price of in New Brunswick vs. Maine—Agenda, 765, 766, to 775; Mr. Pirie, 948, 949, 956; Mr. Hatfield, 1418, 1419.

Fertilizer, price in P. E. I. vs. New Brunswick—Mr. Dewar, 1372, 1373.

RELATION OF PRICES—*Con.*

Financial condition of farmers in Sask.—Mr. Hamilton, 1020, 1021, 1022.

Fixed prices vs. competitive prices—Mr. Sparks, 870.

Flour, export of surplus benefit to consumer—Mr. Watts, 286, 287; Mr. Thompson, 290; Mr. Watts, 298.

Flour, price of should be based on wheat price—Mr. Watts, 283; Mr. Reid, 665.

Flour, price to consumer in West greater than price at sea-board—Mr. Watts, 283, 284; Mr. Reid, 665, 667.

Flour, price of Canadian in U.S.—Mr. Reid, 665, 666.

Flour, price at Calgary—Mr. Reid, 665.

Flour, price at Edmonton—Mr. Watts, 285; Mr. Leitch, 527.

Flour, price in Ontario not set by export price—Mr. Watts, 286.

Flour, price in Great Britain—Mr. Reid, 665, 667.

Flour, Western Mills charge western consumer freight to Fort William—Mr. Watts, 283; Mr. Reid, 665.

Ford Cars, price of in Canada vs. U.S.—Mr. Campbell, 986 to 990, 994 to 1000.

Ford Cars, profit on—Mr. Deachman, 922; Mr. Campbell, 981, 997.

Ford Motor Co. of Canada, taxes paid by—Mr. Campbell, 999, 1000.

Free Trade, advantage of to farmers—Mr. Deachman, 923.

Free Trade, vs protection—Mr. Deachman, 932; Mr. Hatfield, 1417.

Freight rates, effect of on prices—Mr. Grant, 399, 400; Mr. Cumming, 465, 475, 476, 477, 483, 484, 485; Mr. Sissons, 501; Agenda, 762 to 765; Mr. Pirie, 951; Mr. Bradshaw, 1248, 1253; Mr. Hatfield, 1415; Mr. Estey, 1430; Mr. Imrie, 1435, 1436; Mr. Blatchford, 1446 Mr. Swanson, 1451, 1452; Mr. Trowern, 1564, 1565; Mr. Fairbairn, 1642, 1643, 1647, 1657.

Freight rates, effect on industry—Mr. Houson, 1759.

Freight rates, equalization of—Agenda, 762, to 765; Mr. Pyke, 1554, 1569, to 1573; Mr. Drummond, 1672, to 1675; Mr. McConnell, 1734, to 1738; Mr. Houson, 1762; Mr. Turnbull, 1764, 1765.

Freight rates extremely high—Mr. Deachman, 916; Mr. Gagne, 1045; Mr. Bowman, 1115, 1127; Mr. Bradshaw, 1248; Mr. Fairbairn, 1644, 1645, 1646; Mr. Houson, 1759.

Freight rates make readjustment of farming necessary—Mr. Grant, 399, 400.

Freight rates, comparison of pre and post-war—Mr. Edwards, 446.

Fruit, apples from B. C. selling in Ontario—Mr. Fairbairn, 1639.

Fruit, apples, canned, sold below cost—Mr. Cumming, 468.

Fruit, apples, co-operative buying by consumers—Mr. Scripture, 308.

RELATION OF PRICES—*Con.*

Fruit, apple-dealers losses finally paid by producer—Mr. Scripture, 302.
Fruit, apples, grading of benefit to consumer—Mr. Scripture, 302, 306, 308, 309.
Fruit, apples, high price to consumer due to distribution—Mr. Scripture, 305, 306.
Fruit, apples, loss to producers in N. S.—Mr. Cumming, 465.
Fruit, apples, lowering cost to consumer by increased consumption—Mr. Scripture, 308.
Fruit, apples sold under cost of production—Mr. Scripture, 299, 300, 307.
Fruit, apples, Ontario consumer not getting his money's worth—Mr. Scripture, 300.
Fruit, apples, wholesalers' profit in than brokers—Mr. Scripture, 304.
Fruit, apples, wholesalers profit in Winnipeg—Mr. Sly, 760.
Fruit, apples, prices fixed by retailers or pedlers—Mr. Scripture, 305.
Fruit, apples, present low price due to industrial conditions in England—Mr. Cumming, 472.
Fruit, apples, export price of—Mr. Sissons, 500.
Fruit, apples, price to consumer in Sask.—Mr. Sly, 761.
Fruit, apples, price to consumer—Mr. Bulman, 62, 63; Mr. Scripture, 301, to 304; 308, 311; Mr. Sissons, 503; Mr. Newman, 1588.
Fruit, apples, price direct from producer to consumer—Mr. Sissons, 498, 500; Mr. Newman 1588.
Fruit, apples, price from producer from commission man—Mr. Sissons, 498.
Fruit, apples, price from producer to retailer—Mr. Sissons, 498.
Fruit, apples, prices paid producer—Mr. Bulman, 62, 63; Mr. Scripture, 301, to 304; Mr. Chase, 314, 325; Mr. Cumming, 464, 465, 468; Mr. Sissons, 498, 502; Mr. Dewar, 1387.
Fruit, apples, rotting on ground, unprofitable to market—Mr. Sissons, 501.
Fruit, apples, system of marketing cause of loss to producers—Mr. Sissons, 501.
Fruit, apples, wholesale price to retail, Manitoba—Mr. Sly, 760.
Fruit, apple-baskets, cost of 1915-1923—Mr. Fairbairn, 1640.
Fruit, apple-barrels, cost of—Mr. Cumming, 472, 473; Mr. Sissons, 503, 504; Mr. Fairbairn, 1640.
Fruit, apple-barrels, cost of in U.S.—Mr. Sissons, 503.
Fruit apple-boxes vs. barrels—Mr. Scripture, 310, 311.
Fruit, apples, freight on for home consumption higher than for export—Mr. Scripture, 301.
Fruit, cherries, cost of picking and packing—Mr. Sissons, 496.

RELATION OF PRICES—*Con.*

Fruit, cherries, net returns to producer—Mr. Sissons, 496, 497.
Fruit, cherries, price paid by consumer—Mr. Sissons, 497.
Fruit, cherries, price paid producer in Toronto—Mr. Sissons, 496.
Fruit Grading Act, benefit to consumer—Mr. Scripture, 309.
Fruit, plums, price paid producer in Ontario—Mr. Sissons, 497; Mr. Fairbairn, 1656.
Fruit, price fixing of—Mr. Taylor, 45; Mr. Scripture, 305.
Fruit prices competitive vs. labour, commodity, and transportation prices fixed—Mr. Bulman, 58.
Fruit prices paid producers—Mr. Taylor, 39, 40; Mr. Bulman, 56, 62, 63; Mr. Scripture, 305; Mr. Sissons, 496, 497; Mr. Dewar, 1387, 1388; Mr. Fairbairn, 1637, 1638, 1651, 1652, 1653, 1656.
Fruit sold for less than cost by producers—Mr. Taylor, 38, 39; Mr. Bulman, 56; Mr. Cumming, 465.
Fruit producers' prices controlled by competition—Mr. Taylor, 53.
Fruit, strawberries, price paid producer in P.E.I.—Mr. Dewar, 1387, 1388.
Fruit, strawberries, returns vs. costs—Mr. Fairbairn, 1651, 1652, 1653, 1656.
Fruit container prices in Canada vs. U.S.—Mr. Sissons, 503; Mr. Fairbairn, 1642.
Fruit containers, imported, duty should be refunded on export of same—Mr. Sissons, 504.
Gambling in sugar—Mr. King, 936; Mr. Drummond, 1670, 1677, 1697; Mr. McConnel, 1719, 1720, 1723, 1724, 1725; Mr. Neill, 1745; Mr. Turnbull, 1771.
Gasoline for tractors, price of—Mr. Grant, 361, 391.
Government aid to farmers by removing inequalities—Mr. Sissons, 506.
Government price fixing of farm products—Mr. Edwards, 445; Mr. Fortier, 576; Mr. Sissons, 1469, 1470.
Government receives only portion of Duty—Mr. Ward, 631.
Government receives only portion of sales tax—Mr. Pedlow, 785, 790.
Groceries vs. dairy products—Mr. Grant, 369.
Hay, price of in New Brunswick—Mr. Pirie, 954, 955.
Hides, price paid by manufacturer—Mr. Daoust, 1184.
Hides, price paid to farmer—Mr. Daoust, 1184, 1186, 1193.
High cost of living caused by tariff—Mr. Ward, 633, 641, 642.
High cost of living falls mainly on farmer—Mr. Bulman, 58; Mr. Sparks, 851.
Home vs. export, prices—Mr. Bradshaw, 1259, 1279.
Horses, price of in Sask.—Mr. Williams, 834.

RELATION OF PRICES—*Con.*

Hose, Womens', price of—Mr. Bowman, 1150, 1151.

Income tax of farmers—Mr. Ward, 644, 645.

Increased yield, relative value—Mr. Grant, 400

Index price of commodities and farm products—Mr. Grant, 398, 401; Mr. Edwards, 447; Mr. Jackman, 699.

Individual vs. organized effort—Mr. Jackman, 688, 689, 690, 693; Mr. Sparks, 851.

Interest, rate of, received on farm investment—Mr. Williams, 819, 820, 824, 825.

Interest, rate charged by manufacturers of farm machinery—Mr. Bradshaw, 1499, 1500.

Jobbers profit on shoes—Mr. Ault, 1194.

Labour, affected by tariff—Mr. Sparks, 872.

Labour, cost of, Canada vs. U.S.—Mr. Campbell, 982, 983.

Labour, cost of, increasing—Mr. Grant, 401; Mr. Amos, 674; Mr. Bowman, 1148.

Labour, cost of, influence on Farm machinery—Mr. Grant, 401; Mr. Amos, 679; Mr. Jackman, 694; Mr. Bradshaw, 1251, 1253.

Labour, cost of, railway vs. fruit farm—Mr. Fairbairn, 1645.

Labour, cost of, increase in U.S.—Mr. Grant, 401.

Labour, deflation in—Mr. Jackman, 694, 699.

Labour, demands of industrial detrimental to farmer—Mr. Grant, 403; Mr. Jackman, 694.

Labour, effect on commodity prices—Mr. Grant, 399, 401; Mr. Jackman, 694; Mr. McConnell, 1727.

Labour, farm, vs. farm products—Mr. Grant, 399; Mr. Jackman, 688.

Labour, farm vs. city—Mr. Edwards, 447; Mr. Stonehouse, 593; Mr. Amos, 674, 679; Mr. Spence, 813; Mr. Williams, 833.

Labour, farm, in England—Mr. Cumming, 468.

Labour, farm, New Brunswick vs. Maine—Mr. Pirie, 948, 955.

Labour for fruit farms, cost of—Mr. Fairbairn, 1642, 1645.

Labour, high cost of, effect on farm products—Mr. Stonehouse, 592; Mr. Jackman, 688; Mr. Fraser, 1349.

Labour, industrial, Canada vs U.S. and Great Britain—Mr. Sparks, 857.

Labour, importation of skilled—Mr. Campbell, 1000; Mr. Weaver, 1207, 1208.

Labour income—Mr. Grant, 364, 365, 366, 370, 375; Mr. Toupin, 449, 450, 457 to 460; Mr. Ste. Marie, 615, 1625.

Labour rewards of farmer less than other occupations—Mr. Grant, 395, 396; Mr. Amos, 674; Mr. Williams, 833.

Labour, wages paid by farmer—Mr. Amos, 675, 679; Mr. Spence, 807; Mr. Williams, 819, 833.

RELATION OF PRICES—*Con.*

Land, price of in Kansas—Mr. Bowman, 1146.

Land, price of in Niagara district—Mr. Fairbairn, 1651, 1652.

Land, price of in Ontario—Mr. Sissons, 489.

Land, price of in P. E. I.—Mr. Dewar, 1369, 1370.

Land, price of in Quebec—Mr. Ste. Marie, 613, 614, 615.

Land, price of in Saskatchewan—Mr. Edwards, 433; Mr. Reid, 668, to 672; Mr. Williams, 826 to 829, 843.

Land in U. S., increased valuation—Mr. King, 979.

Land purchased at high price increased farmers burdens—Mr. Hamilton, 1032; Mr. Bowman, 1116.

Land value affects returns to farmer—Mr. Fortier, 573; Mr. Ste. Marie, 613; Mr. Williams, 843.

Land value in New Brunswick vs. Maine—Mr. Pirie, 948.

Leather, duty on—Mr. Warrington, 1174, 1175

Leather, export of—Mr. Daoust, 1191.

Leather, manufacturing cost and selling price of—Mr. Daoust, 1183, 1184.

Live stock, losses on beef cattle—Mr. Deachman, 914.

Live stock, producers profit absorbed by transportation—Mr. Light, 339

Live stock, profits—Mr. Grant, 378.

Live stock, reduction in British market would increase producers loss—Mr. Light, 340.

Loss, advertising—Mr. Sly, 722.

Losses, apple-dealers finally borne by farmers—Mr. Scripture, 302.

Losses, farmers'—Mr. Taylor, 38, 39; Mr. Bulman, 56; Mr. Cumming, 465; Mr. Sissons, 493, 504, 505; Mr. Leitch, 524; Mr. Fortier, 574, 575, 576; Mr. Stonehouse, 600; Mr. Reid, 650; Mr. Deachman, 914; Mr. Hamilton, 1029; Mr. Gagne, 1043, 1044; Mr. Hatfield, 1415; Mr. Newman, 1631.

Losses, farmers', on beef cattle..Mr. Deachman, 914.

Losses of farmers should be assumed by Government—Mr. Fortier, 574, 575, 576.

Losses, manufacturers' on farm machinery —Mr. Bradshaw, 1237, 1238, 1239, 1282.

Losses, middleman's, paid by consumer—Mr. Sly, 722; Mr. Hatfield, 1406, 1407, 1413.

Losses in shoe industry, wholesale and retail—Mr. Weaver, 1212.

Losses through credit—Mr. Bradshaw, 1282.

Losses, United Grain Growers on farm machinery—Mr. Bradshaw, 1241, 1242, 1243.

Machinery, farm, comparison of Canadian and American prices—Mr. Reid, 648 to

RELATION OF PRICES—*Con.*

651; Mr. Amos, 677; Mr. Price, 948; Mr. Bradshaw, 1263 to 1267.

Machinery, farm, comparison of prices in different countries—Mr. Deachman, 923.

Machinery, farm, vs. commodity prices—Mr. Hamilton, 1013, 1014, 1015.

Machinery, farm, duty on—Mr. Ward, 627, 641; Mr. Reid, 648, 649, 650; Mr. Fairbairn, 1655.

Machinery, farm, dutiable and non-dutiable—Mr. Amos, 677, 678, 679.

Machinery, farm, effected of anti-dumping law—Mr. Reid, 672, 673.

Machinery, farm, effect of tariff on price—Mr. Deachman, 923.

Machinery, farm, vs. farm products—Mr. Bradshaw, 1503 to 1507.

Machinery, farm, increase in price of—Mr. Grant, 402; Mr. Amos, 676.

Machinery, farm, improvements increase cost of—Mr. Bradshaw, 1258, 1261, 1263.

Machinery, farm, prices increased by bad debts—Mr. Swanson, 1457.

Machinery, farm, manufacturing cost of 1913-1923—Mr. Bradshaw, 1244, 1247, to 1252, 1277.

Machinery. farm, manufacturing cost of in Canada vs. U.S.—Mr. Bradshaw, 1234, 1235.

Machinery, farm, percentage of increase in cost vs. selling price—Mr. Bradshaw,1248 to 1252.

Machinery, farm, prices of—Mr. Edwards, 447; Mr. Amos, 676.

Machinery, farm, price of increased by sales tax—Mr. Bradshaw, 1254.

Machinery, farm, reduction in price of—Mr. Bradshaw, 1236, 1247.

Machinery, farm, sold on credit—Mr. Bradshaw, 1255, 1278, 1283.

Machinery, farm, United Grain Growers quit dealing in—Mr. Bradshaw, 1242, 1243.

Machinery, shoe, duty on—Mr. Warrington, 1178; Mr. Weaver, 1205, 1206.

Mail order vs. country store commodity prices—Mr. Sly, 755.

Manufacturers competing abroad want protection at home—Mr. Deachman, 925.

Manufacturers, competition between—Mr. Edwards, 445; Mr. Sly, 759; Mr. Sparks, 852, 854, 855, 861, 865; Mr. Warrington, 1178; Mr. Daoust, 1190; Mr. Weaver, 1212, 1215.

Manufacturers control prices to consumer—Mr. Pedlow, 777, 778, 780, to 784; Mr. Warrington, 1170.

Manufacturers vs. farmers, deflation—Mr. Amos, 686.

Manufacturers giving farmers benefit of reduced costs—Mr. Bradshaw, 1236, 1254, 1273.

Manufacturers losses through deflation—Mr. Bowman, 1128, 1129; Mr. Bradshaw, 1237, 1238, 1239, 1282.

RELATION OF PRICES—*Con.*

Manufacturers objections to methods of Merchants Consolidated—Mr. Sly, 721 to 760; Mr. Benson, 888 to 899, 902 to 905; Canadian Cottons, 1002, 1003, 1004; Mr. Stewart, 1222 to 1232; Mr. McConnell, 1739; Mr. Turnbull, 1762 to 1765.

Manufacturers of clothing in worse financial condition than Western farmers—Mr. Sparks, 855.

Manufacturer practically farmer's banker—Mr. Bradshaw, 1256, 1278, 1283.

Manufacturers prices, basis of—Mr. Sly, 744; Mr. Weaver, 1205.

Manufacturer's profit on shoes—Mr. Warrington, 1170, 1181, 1182; Mr. Weaver, 1196, 1197, 1199.

Manufacturing corporations unwilling to meet farmer in deflation—Mr. Amos, 686.

Manufacturing cost of shoes, Canadian or American—Mr. Warrington, 1177, 1178; Mr. Daoust, 1189, 1190, 1191, 1204.

Manufacturing industry affected by tariff—Mr. Sparks, 871; Mr. Deachman, 919, 922, 934, 935; Mr. Bowman, 1149; Mr. Dauost, 1190; Mr. Weaver, 1199, 1209, 1210, 1213, 1216; Mr. Bradshaw, 1245, 1246.

Manufacturers, shoe, cost and selling price—Mr. Warrington, 1172 to 1176; Mr. Daoust, 1187, 1188, 1189.

Manufacturers spread on furniture—Mr. Bowman, 1152.

Maple syrup, price of—Mr. Trowern, 1564.

Marketing facilities affect farm product prices—Mr. Edwards, 442; Mr. Deachman, 914, 916; Mr. Hamilton, 1037.

Marketing system affects farm product prices—Mr. Stonehouse, 594; Mr. Jackman, 688, 689, 690, 691, 692.

Mass production vs. limited production, effect on prices—Mr. Sparks, 852, 853; Mr. Deachman, 918; Mr. Campbell, 985, 986; Mr. Warrington, 1178, 1180; Mr. Daoust, 1190; Mr. Weaver, 1209; Mr. Stewart, 1217, 1218; Mr. Bradshaw, 1244, 1497; Mr. Drummond, 1686, 1703; Mr. McConnell, 1728.

Mercantile business failures—Mr. Weaver, 1212, 1214; Mr. Bradshaw, 1239.

Methods of farming, improvement in—Mr. Hamilton, 1034, 1035; Mr. Gagne, 1044, 1046.

Middlemen, too many—Mr. Bowman, 1155.

Milk, price paid by cheese factories—Mr. Leitch, 136, 529.

Milk, price paid by consumer in Canada—Mr. Barton, 120; Mr. Leitch, 132; Mr. Sissons, 492; Mr. Henry, 544.

Milk, price paid by consumer in Philadelphia—Mr. Sissons, 494.

Milk, price paid by creameries in N.S.—Mr. Cumming, 474.

Milk prices, relation of dairy and producers—Mr. Sissons, 492, 493, 494.

RELATION OF PRICES—*Con.*

Milk price, deflation in—Mr. Leitch, 525.
Milk price in Philadelphia based on butter-fat contents—Mr. Sissons, 494.
Milk, prices paid to producers—Mr. Barton, 120; Mr. Leitch, 129, 130, 132; Mr. Sissons, 492; Mr. Leitch, 523; Mr. Henry, 543, 544; Mr. Hughes, 552, 558; Mr. Fortier, 566.
Milk, price paid producer in Philadelphia—Mr. Sissons, 494.
Milk, price paid producer vs. commodity prices—Mr. Fortier, 566, 567.
Milk, price affected by "watered stock" of dairy companies—Mr. Sissons, 492.
Milk, profits on distribution vs. production—Mr. Sissons, 493, 494, 495.
Milling company's returns vs. farmer's returns—Mr. Reid, 664, 665.
Mixed farming to reduce cost of living—Mr. Hamilton, 1035.
Mixed farming with a specialty to improve farmers conditions—Mr. Hamilton, 1035.
Morale of farmers low, due to relation of prices—Mr. Grant, 400, 401; Mr. Edwards, 432; Mr. Deachman, 914, 915; Mr. Hamilton, 1020; Mr. Imrie, 1439.
Motoring for pleasure in Sask., cost of—Mr. Hamilton, 1032.
Oats, price paid to producer—Mr. Grant, 361, 391.
Oleomargarine, effect on price of butter—Mr. Fortier, 577; Mr. Stonehouse, 598.
Opposition to co-operation—Mr. Sparks, 864, 865, 868; Mr. Newman, 1588; Mr. McIntosh, 1798, 1799.
Organization, effect of, on prices—Mr. Jackman, 691, 692, 693, 695. (See Co-operation).
Payment of debts by farmers impossible on account of disparity of prices—Mr. Edwards, 437.
Pig Iron, price of—Mr. Grant, 399.
Potatoes, American duty on—Mr. Dewar, 1378.
Potato combine in Cuba—Mr. Dewar, 1381, 1384.
Potato dealers' losses in N.B.—Mr. Hatfield, 1406, 1407, 1413.
Potato farmers' losses in N.B.—Mr. Hatfield, 1415.
Potatoes, price of, in N.B.—Mr. Pirie, 947, 952; Mr. Hatfield, 1396, 1399, 1400, 1401, 1404, 1405, 1407.
Potatoes, price of New Brunswick vs. Maine—Mr. Pirie, 948, 950.
Potatoes, price of, in P.E.I.—Mr. Dewar, 1377, 1378.
Potato prices, retail vs. producers—Mr. Newman, 1587.
Potatoes, price paid to producers—Mr. Chase, 320; Mr. Estey, 1424, Mr. Newman, 1587.
Potatoes, price less than cost of production—Mr. Chase, 315, 323; Mr. Pirie, 945, 950; Mr. Hatfield, 1410, 1415.

RELATION OF PRICES—*Con.*

Potatoes—producer must get better price or discontinue producing—Mr. Chase, 323.
Potatoes—regular sailings to Cuba cause lower price to farmers—Mr. Hatfield, 1412, 1413.
Price changes by manufacturers uniform—Mr. Pedlow, 777, 778.
Price charged by Canadian manufacturers based on cost, not tariff—Mr. Weaver, 1205.
Price cutting for advertising—Mr. Stewart, 1223, 1224.
Price control by competition—Mr. Sly, 735, 755, 759; Mr. Hamilton, 1037.
Price control of commodities by production—Mr. Stonehouse, 594.
Price level, stability of—Mr. Grant, 402; Mr. Edwards, 446.
Price, mass production vs. limited production, effect on—Mr. Sparks, 852, 853; Mr. Deachman, 918; Mr. Campbell, 985, 986; Mr. Warrington, 1178, 1180; Mr. Daoust, 1190; Mr. Weaver, 1209; Mr. Stewart, 1217, 1218; Mr. Bradshaw, 1244, 1497; Mr. Drummond, 1686, 1703; Mr. McConnell, 1728.
Prices, rise in, due to credit expansion and unusual demands—Mr. Grant, 402.
Prices set by Canadian manufacturers on cost, plus tariff, plus profit—Mr. Edwards, 445; Mr. Stonehouse, 594; Mr. Ste. Marie, 626; Mr. Ward, 629, 631; Mr. Jackman, 695.
Price should be fixed on volume, not classification—Mr. Sparks, 744.
Prices, increase of, in U.S.—Mr. Grant, 401.
Price fixing of beef—Mr. McLean, 236.
Price fixing and control by manufacturers and associations—Mr. Sly, 722 to 760; Mr. Pedlow, 777 to 785; Mr. Benson, 897, 898, 900, 905; Mr. Stewart, 1222 to 1232; Mr. Farrow, 1299 to 1303; Mr. Swanson, 1457; Mr. Hurlbut, 1517 to 1527, 1534, 1535; Mr. Stephens, 1540, 1541, 1542; Mr. McElroy, 1544; Mr. Stephens, 1545; Mr. Trowern, 1560, 1561, 1562; Mr. Pyke, 1575, 1576.
Price fixing by producer—Mr. Bulman, 58, 61; Mr. Stonehouse, 594; Mr. Jackman, 692.
Price fixing by Ontario canners—Mr. Sissons, 491.
Price fixing of farm products by organization impossible—Mr. Jackman, 695.
Price fixing of farm products by Government—Mr. Edwards, 445; Mr. Fortier, 576; Mr. Swanson, 1469, 1470.
Price fixing of fruit—Mr. Taylor, 45; Mr. Scripture, 305.
Price fixing of sugar—Mr. King, 935; Mr. Drummond, 1676, 1697 to 1702; Mr. McConnell, 1730 to 1733.
Price fixing—see combines.

RELATION OF PRICES—*Con.*

Production control of farm product prices Mr. Bulman, 61; Mr. Stonehouse, 594; Mr. Jackman, 692.

Production cost of boots—Mr. Hurlbut, 1528, 1529.

Production cost vs. farm products—Mr. Hamilton, 1027.

Prosperity dependant on stable price levels—Mr. Grant, 402.

Production increased by advertising—Mr. Hurlbut, 1527.

Production vs. needs of farmer—Mr. Grant, 405.

Profits, capitalization of, effect on prices —Mr. Jackman, 713, 714.

Profits of Ford Motor Co. of Canada— Mr. Deachman, 922; Mr. Campbell, 981, 997.

Profit, Jobbers' on shoes—Mr. Ault, 1194.

Profit, manufactures', on shoes—Mr. Warrington, 1170, 1181, 1182; Mr. Weaver, 1196, 1197, 1199.

Profits of producer absorbed by transportation costs—Mr. Light, 339.

Profit, retailers'—Mr. McLean, 1166; Mr. Ault, 1194; Mr. Trowern, 1562.

Profit on duty—Mr. Ward, 629, 631; Mr. Pedlow, 783 to 795; Mr. Sparks, 873 to 887, 907 to 911; Mr. Bowman, 1155.

Profit on commodities fixed by manufacturer—Mr. Sly, 722.

Profit on milk, dairyman's vs. producer's— Mr. Sissons, 492, 493, 494.

Protection, cost of—Mr. Ward, 627, 628, 629, 631, 642; Mr. Deachman, 917 to 921, 923, 932; Mr. Pirie, 949.

Protection demanded by American sugar beet growers—Mr. King, 936.

Protection, effect of on commodity prices —Mr. Deachman, 916, 917.

Protection vs. free trade—Mr. Deachman, 932.

Protection not necessary—Mr. Deachman, 934.

Purchasing power of consumer—Mr. Fairbairn, 1662.

Purchasing power of farmers—Mr. Grant, 389; Mr. Reid, 563; Mr. Stonehouse, 592, 594; Mr. Jackman, 694, 715; Mr. Sly, 741; Mr. Spence, 812, 814; Mr. Hamilton, 1020, 1021, 1022, 1033; Mr. Fairbairn, 1662.

Purchasing power of farm products—Mr. Grant, 389, 398, 400; Mr. Reid, 563; Mr. Hamilton, 1020, 1033.

Pyramiding of profits on customs tax— Mr. Ward, 629, 631; Mr. Pedlow, 784 to 795; Mr. Sparks, 873 to 887, 907 to 911; Mr. Bowman, 1155; Mr. Warrington, 1179, 1188; Mr. Ault, 1194.

Readjustment of commodity prices—Mr. Edwards, 446; Mr. Sly, 721, 722.

Raw material, cost of, Canada vs. U.S.— Mr. Campbell, 983, 984, 992, 993.

RELATION OF PRICES—*Con.*

Raw materials, increased cost of—Mr. Bowman, 1148; Mr. Bradshaw, 1273, 1280.

Raw material, duty free coming into Canada—Mr. Sly, 737, 753.

Raw materials, prices of vs. Ford cars— Mr. Campbell, 1001.

Relation of prices affects standard of living—Mr. Sissons, 490, 491.

Relation of prices beyond control—Mr. Jackman, 688; Mr. Hamilton, 1060, 1061.

Relation of prices cause of agricultural panic—Mr. Grant, 400; Mr. Gagne, 1046.

Relation of prices cause of difference in— Agenda, 2, 7, 421; Mr. Grant, 402; Mr. Edwards, 438; Mr. Jackman, 688; Mr. Deachman, 915; Mr. Gagne, 1045; Mr. Hamilton, 1060, 1061.

Relation of prices, city and farm consumer—Grant, 402.

Relation of prices, effect on emigration— Mr. Stonehouse, 592; Mr. Deachman, 913, 914; Mr. Pirie, 948, 949, 954; Mr. King, 979; Mr. Gagne, 1048.

Remedies for present conditions—Mr. Sissons, 506; Mr. Leitch, 514; Mr. Fortier, 573; Mr. Ward, 634; Mr. Reid, 672; Mr. Jackman, 688, 689, 690; Mr. Jackman, 691, 695 to 710; Mr. Spence, 804, 807, 812; Mr. Williams, 817, 818, 829, 832, 833, 835, to 840; Mr. Deachman, 932, 933; Mr. Hamilton, 1033, 1035, 1037; Mr. Gagne, 1046, 1049, 1050, 1061; Mr. Bowman, 1116, Mr. Fraser, 1367, 1368; Mr. Swanson, 1459; Mr. Bradshaw, 1511, 1512.

Research, agricultural—Mr. Grant, 396.

Retailers cash basis; effect on prices— Mr. Sly, 761; Mr. Benson, 892, 893; Mr. Bradshaw, 1255, 1278, 1283; Mr. Swanson, 1457.

Retailers' losses through deflation—Mr. McLean, 1165.

Retailers' maintain increased prices—Mr. McLean, 240, 241, 249.

Retail price of boots—Mr. Stephens, 1538, 1539; Mr. McElroy, 1543, 1544.

Retailers' profits justified—Mr. Ault, 1194; Mr. Trowern, 1562.

Retailers' spread—Mr. McLean, 1166; Mr. Ault, 1194.

Retailers too numerous increases commodity prices—Mr. Stephens, 1542.

Rubber footwear, distribution controlled by Rubber Association—Mr. Sly, 749, to 754.

Rubbers, duty on—Mr. Sly, 752.

Rural vs. urban commodity prices—Mr. Hughes, 559.

Sales tax, Government gets only portion of—Mr. Pedlow, 785, 790.

Sales tax greater than manufacturers profit on shoes—Mr. Warrington, 1170.

RELATION OF PRICES—*Con.*

Sales tax increases commodity prices—Mr. Bradshaw, 1254; Mr. Farrow, 1308, 1309; Mr. Fairbairn, 1660.

Sales tax, pyramiding of—Mr. Pedlow, 784 to 795; Mr. Sparks, 873 to 887, 907 to 911; Mr. Bowman, 1155; Mr. Warrington, 1179, 1188; Mr. Ault, 1194.

Seller get all he can for his products—Mr. Sissons, 490.

Speculation essential to middleman, detrimental to producer and consumer—Mr. Leitch, 514.

Spread between manufacturer and consumer too great—Mr. Bowman, 1128, 1150.

Spread between wholesale and farm prices—Mr. Grant, 402.

Spread controlled by demand and supply—Mr. Leitch, 514.

Spread in price of furniture—Mr. Bowman, 1152.

Stable price level essential to prosperity—Mr. Grant, 402.

Salt, manufacturers sell only to certain customers—Mr. Sly, 738.

Salt, reduction in wholesale commission passed on to consumer—Mr. Sly, 739.

Shoe consumption, Canada vs. U.S.—Mr. Weaver, 1202.

Shoe exports from Canada—Mr. Weaver, 1202, 1203.

Shoe factories, average capital of, Canada vs. U.S.—Mr. Deachman, 927; Mr. Warrington, 1180, 1181; Mr. Weaver, 1197, 1198.

Shoe industry, Canadian vs. American—Mr. Deachman, 927; Mr. Weaver, 1201, 1203 to 1215.

Shoe industry in U.S. affected by tariff—Mr. Deachman, 926, Mr. Weaver, 1199, 1200, 1203.

Shoes, jobbers' cost and selling price—Mr. Ault, 1194.

Shoes, jobbers' profit—Mr. Ault, 1194.

Shoes, manufacturing costs, Canadian vs. American—Mr. Warrington, 1177, 1178; Mr. Daoust, 1189, 1190, 1191, 1204.

Shoes, manufacturing costs and selling prices—Mr. Warrington, 1172, 1173, 1174, 1176; Mr. Daoust, 1187, 1188, 1189.

Shoe manufacturers, failures of—Mr. Weaver, 1197, 1212, 1214.

Shoe manufacturers' profits—Mr. Warrington, 1170, 1181, 1182; Mr. Weaver, 1196, 1197, 1199.

Shoe prices increased by changes in style—Mr.Weaver, 1212, 1213.

Shoes, retailers' profit on—Mr. Ault, 1194.

Shoe polish, price controlled by manufacturers—Mr. Sly, 725.

Shoe polish, price to consumer—Mr. Sly, 726.

Speculation induced by crop estimates—Mr. Pyke, 1574, 1575; Mr. Drummond, 1670, 1671, 1706; Mr. McConnell, 1721; Mr. Hobbins, 1741; Mr. Neill, 1749; Mr. Turnbull, 1768.

RELATION OF PRICES—*Con.*

Standard of living affected by relation of prices—Mr. Sissons, 490, 491.

Stock of dairy companies, price of—Mr. Sissons, 493.

Style of boots, changes increase costs—Mr. Stephens, 1539.

Style of shoes, effect on price, Mr. Weaver, 1212, 1213.

Sugar, advance in price not warranted—Mr. King, 938, 939; Mr. Pyke, 1574.

Sugar, advance in price natural—Mr. Drummond, 1678, 1699; Mr. McConnell, 1711, 1714; Mr. Hobbins, 1741; Mr. Neill, 1750; Mr. Schurman, 1753; Mr. Turnbull, 1771.

Sugar, American duty on—Mr. King, 936; Mr. Drummond, 1686, 1688.

Sugar, British duty on—Mr. Hobbins, 1691; Mr. McConnell, 1691; Mr. Hobbins, 1717.

Sugar beets, American duty on—Mr. Houson, 1815, 1826.

Sugar beets paid for on sugar content—Mr. Houson, 1760; Mr. Dougherty, 1803.

Sugar beet producers profits and losses—Mr. Dougherty, 1807, 1808.

Sugar beet prices, Michigan vs. Ontario—Mr. Dougherty, 1803; Mr. Houson, 1821, 1826.

Sugar beets, prices paid to farmer in Ontario—Mr. Houson, 1756, 1760; Mr. Dougherty, 1803, 1810, 1813; Mr. Houson, 1820, 1822.

Sugar beet returns, farmers' vs. manufacturers'—Mr. Dougherty, 1830, 1831; Mr. Houson, 1831, 1832.

Sugar, Canadian duty on—Mr. Drummond, 1666, 1677.

Sugar consumption per head in U.S.—Mr. King, 938; Mr. McConnell, 1712, 1724.

Sugar consumption in U.S. increased by Prohibition—Mr. McConnell, 1718.

Sugar, corner in Cuban—Mr. King, 935; Mr. Drummond, 1677, 1678, 1697, 1698, 1699, 1700.

Sugar, cost to Canadian refiners—Mr. McConnell, 1727.

Sugar, Cuban price controlled by American refiners—Mr. King, 939.

Sugar, export of, prohibited by Board of Commerce—Mr. Drummond, 1699.

Sugar Finance Commission (Cuba) government commission for selling crop—Mr. Neill, 1745, 1746, 1747.

Sugar, gambling in—Mr. King, 936; Mr. Drummond, 1670, 1677, 1697; Mr. McConnell, 1719, 1720, 1723, 1724, 1725; Mr. Neill, 1745; Mr. Turnbull, 1771.

Sugar, high price of benefit to beet farmers—Mr. Drummond, 1665.

Sugar industry, enquiries into—Mr. Drummond, 1663.

Sugar, manufacturers losses—Mr. Drummond, 1678; Mr. McConnell, 1729, 1730; Mr. Neill, 1746, 1747.

Sugar manufacturers profits, dividend, and capital—Mr. Houson, 1824, 1825, 1826.

RELATION OF PRICES—*Con.*

Sugar price based on cost of raw sugar—Mr. Drummond, 1678; Mr. McConnell, 1724, 1727; Mr. Hobbins, 1742.

Sugar price basis for beet price—Mr. Houson, 1756, 1822.

Sugar prices, Canada vs. U.S.—Mr. Sly, 762; Mr. Turnbull, 1771, Mr. Houson, 1826.

Sugar price in Canada governed by Cuban crop—Mr. Drummond, 1676.

Sugar price could be controlled by consumers—Mr. King, 940; Mr. McConnell, 1713.

Sugar price in Cuba affected by credit—Mr. McConnell, 1724, Mr. Schurman, 1752.

Sugar prices, effect of British West Indies preferential tariff—Mr. Turnbull, 1770.

Sugar price for export lower than domestic—Mr. Drummond, 1686, 1687, 1707; Mr. Turnbull, 1765.

Sugar price fixed by Board of Commerce—Mr. King, 935; Mr. Drummond, 1676, 1698; Mr. McConnell, 1730, 1731, 1733, 1739, 1740.

Sugar price-fixing by British Government—Mr. McConnell, 1732, 1733.

Sugar price-fixing by Government—Mr. King, 935; Mr. Drummond, 1676, 1697 to 1702; Mr. McConnell, 1730 to 1733.

Sugar price-fixing, no collusion among refiners—Mr. Turnbull, 1772.

Sugar price low advantage to refiners—Mr. Drummond, 1676, 1678, 1680; Mr. McConnell, 1726; Mr. Turnbull, 1768, 1769, 1770.

Sugar, price manipulation of—Mr. Sly, 762; Mr. Drummond, 1668, 1697, 1698, 1699, 1705; Mr. McConnell, 1719, 1720, 1723, 1724, 1725; Mr. Hobbins, 1741; Mr. Neill, 1743.

Sugar, price of, raw, New York, price plus freight—Mr. King, 935, 939, 940; Mr. Drummond, 1666; Mr. McConnell, 1726, 1727; Mr. Turnbull, 1766, 1771; Mr. Houson, 1822.

Sugar prices, New York—Mr. McConnell, 1726, 1727.

Sugar prices, part of increase in absorbed by refiners—Mr. Turnbull, 1768.

Sugar, price reduction to consumer—Mr. Sly, 728.

Sugar price, refiners not responsible for increase—Mr. Drummond, 1665, 1678, 1699; Mr. McConnell, 1726; Mr. Hobbins, 1742.

Sugar prices and Royal Bank of Canada—Mr. Neill, 1743, 1744, 1749, 1752.

Sugar prices, wholesale vs. retail—Mr. McConnell, 1727, 1728.

Sugar production curtailed—Mr. King, 937, 939; Mr. McConnell, 1723; Mr. Neill, 1747.

Sugar production in Canada only 5% of requirements—Mr. McConnell, 1725.

Sugar refining costs, Canadian vs. American—Mr. Drummond, 1686, 1704.

Sugar refining costs, objections to giving—Mr. Drummond, 1688, 1689; Mr. McConnell, 1690, 1691; Mr. Hobbins, 1691.

Sugar refiners costs and selling price—Mr. Drummond, 1666, 1667, 1684, 1685, 1692, 1693.

Sugar refiners losses through Government price fixing and control—Mr. Drummond, 1676, 1678, 1695, 1696, 1697, 1698, 1700; Mr. McConnell, 1729, 1730, 1731, 1732, 1740; Mr. Turnbull, 1768; Mr. Houson, 1824.

Sugar refiners not protected by Government as promised—Mr. Drummond, 1701; Mr. McConnell, 1731, 1732, 1733, 1740.

Sugar refiners ordered by Government to buy sugar—Mr. McConnell, 1730, 1731, 1732.

Sugar refiners profits 1913 to 1919—Mr. Drummond, 1676; Mr. McConnell, 1728, 1732.

Sugar refiners promised protection by Board of Commerce—Mr. Drummond, 1701; Mr. McConnell, 1731, 1732, 1733.

Sugar reduction in duty passed on to consumers—Mr. Drummond, 1666.

Sugar, slump in price of—Mr. King, 936; Mr. Drummond, 1668, 1697, 1698; Mr. McConnell, 1732; Mr. Houson, 1825.

Sugar shortage reported by American Department of Commerce caused prices to soar—Mr. King, 938; Mr. Pyke, 1574; Mr. Drummond, 1705, 1706; Mr. McConnell, 1714, 1715, 1721, 1722; Mr. Neill, 1749.

Sugar, speculation in, not financed by Royal Bank of Canada—Mr. Neill, 1745.

Sugar, spread in price from wholesaler to consumer—Mr. McConnell, 1734.

Sugar supply—Mr. King, 939; Mr. Drummond, 1680, 1681, 1682, 1704, 1705; Mr. McConnell, 1725; Mr. Hobbins, 1741, 1742; Mr. Neill, 1748, 1749, 1750; Mr. Turnbull, 1766.

Sugar supply and demand—Mr. McConnell, 1712, 1715, 1716, 1717, 1718, 1723, 1726, 1732; Mr. Hobbins, 1741, 1742; Mr. Neill, 1749; Mr. Turnbull, 1767, 1768.

Sugar surplus, 1921-1922—Mr. King, 938; Mr. Drummond, 1697, 1698, 1704.

Sugar, wholesalers' profit on—Mr. Pyke, 1577.

Supply and demand, effect on prices—Mr. Grant, 403; Mr. Leitch, 514; Mr. Fortier, 574; Mr. Jackman, 689, 690, 693.

Syrup, price of, American vs. Canadian—Mr. Sly, 734, 736, 737.

System of farming should be improved—Mr. Hamilton, 1034, 1035; Mr. Gagne, 1044, 1046.

System of individual effort vs. organized effort, out of date—Mr. Jackman, 688, 689, 690, 693; Mr. Sparks, 851.

RELATION OF PRICES—*Con.*

Table syrup, price of—Mr. Trowern, 1564.
Tariff, abolition of, on potatoes and sugar between Canada and Cuba—Mr. Hatfield, 1417.
Tariff, adjustment of—Mr. Fortier, 574; Mr. Bowman, 1153, 1154.
Tariff, burden of, borne by farmers—Mr. Ward, 634, 636.
Tariff, cost of to consumers—Mr. Ward, 627 to 631, 642; Mr. Deachman, 917 to 923, 932; Mr. Pirie, 949.
Tariff costs farmer over five times its returns to Government—Mr. Ward, 631.
Tariff commission recommended—Mr. Bowman, 1156.
Tariff, effect of on American shoe industry—Mr. Deachman, 926; Mr. Weaver, 1199, 1200, 1203.
Tariff, effect of on commodity prices—Mr. Edwards, 442; Mr. Fortier, 571; Mr. Ward, 627, 633; Mr. Jackman, 710; Mr. Sly, 752; Mr. Deachman, 916, 917, 922, 923; Mr. Bowman, 1155.
Tariff, effect of on home market—Mr. Deachman, 933.
Tariff, effect of on industry—Mr. Sparks, 871; Mr. Deachman, 922, 935; Mr. Bowman, 1149; Mr. Daoust, 1190; Mr. Weaver, 1199, 1209, 1210, 1213, 1216; Mr. Bradshaw, 1245, 1246.
Tariff, effect of on labour—Mr. Sparks, 872.
Tariff, effect of on machinery—Mr. Bradshaw, 1244, 1245, 1246, 1248.
Tariff, effect on farm products and commodities—Mr. Fortier, 571; Mr. Deachman, 916, 917, 922, 923.
Tariff, effect of on price of sugar—Mr. King, 936 to 940; Mr. Drummond, 1703 to 1707; Mr. McConnell, 1728.
Tariff, effect of, on relation of prices—Mr. Fortier, 571; Mr. Ward, 629, 631, 634, 642, 646; Mr. Reid, 672, 673; Mr. Jackman, 710, 714, 715, 716 to 720; Mr. Sly, 752; Agenda, 767; Mr. Pedlow, 791, 792, 793; Mr. Sparks, 850, 854, 856, 859, 870, 873 to 887; Mr. Deachman, 916 to 923, 934, 935; Mr. Pirie, 949; Mr. King, 963, 964; Mr. Campbell, 986, 987, 989, 990, 992, 993, 994; Mr. Bowman, 1148, 1149, 1155, 1156; Mr. Weaver, 1201, 1206; Mr. Hatfield, 1417, 1418; Mr. Swanson, 1457; Mr. Hurlburt, 1534; Mr. Fairbairn, 1655; Mr. Drummond, 1677, 1686, 1687, 1703, 1704; Mr. McConnell, 1728.
Tariff, effect of, on wages—Mr. Sparks, 871; Mr. Deachman, 931.
Tariff essential to Canadian industries—Mr. Sparks, 871; Mr. Weaver, 1216, 1217.
Tariff, gradual elimination of—Mr. Deachman, 933.
Tariff increases high cost of living—Mr. Ward, 633, 641, 642.
Tariff in Cuba on potatoes—Mr. Hatfield, 1417.

RELATION OF PRICES—*Con.*

Tariff in Great Britain—Mr. Deachman, 924.
Tariff on agricultural implements—Mr. Ward, 632, 633; Mr. Deachman, 923; Mr. Gilchrist, 940, 941.
Tariff on boots, U.S. vs. Canada—Mr. Deachman, 926; Mr. Weaver, 1199.
Tariff not instrumental in fixing prices—Weaver, 1206.
Tariff removal, effect of—Mr. Ward, 629.
Tariff should not prohibit importation—Mr. Bowman, 1148, 1149.
Tariff should not curtail competition—Mr. Bowman, 1149.
Tariff sustains industries not natural to country—Mr. Deachman, 919, 934.
Taxes, burden of ultimately falls on farmer—Mr. Gagne, 1045.
Taxes, increase in—Mr. Sissons, 503; Mr. Fairbairn, 1642, 1661.
Taxes, Maine vs. New Brunswick—Mr. Pirie, 956.
Taxes in Niagara district—Mr. Fairbairn, 1661.
Taxes in P.E.I.—Mr. Dewar, 1379.
Taxes paid by Ford Motor Co. of Canada, Mr. Campbell, 999, 1000.
Threshing, cost of, in Saskatchewan—Mr. Fraser, 1347, 1348.
Threshing, first lien on crop in Saskatchewan—Mr. Fraser, 1348.
Threshing costs, 1913-1922—Mr. Edwards, 447.
Threshing, cost of, in Ontario—Mr. Amos, 674.
Tobacco price below normal—Mr. Ste. Marie, 619.
Tobacco price to consumer, no reduction in—Mr. Ste. Marie, 619.
Tobacco, price paid to producer—Mr. Ste. Marie, 620.
Tomatoes, canned, price to consumers—Mr. Sissons, 489, 490.
Tomatoes, canned, price to retailer—Mr. Sissons, 489.
Tomatoes, canned, price to wholesalers—Mr. Sissons, 489, 490.
Tomatoes, canned, proportion of retail price received by producer—Mr. Sissons, 489.
Tomatoes, price paid to producer—Mr. Sissons, 488 to 491.
Tomatoes, price of, in New Jersey—Mr. Sissons, 490.
Trade fairs vs. commercial travellers—Mr. Sparks, 863, 868; Mr. Benson, 901; Mr. Stewart, 1233.
Trade fairs would reduce cost of commodities—Mr. Sparks, 863, 868.
Transportation charges, comparison with pre-war time—Mr. Edwards, 446.
Transportation costs too high—Mr. Deachman, 916; Mr. Gagne, 1045; Mr. Bowman, 1115, 1127; Mr. Bradshaw, 1248; Mr. Fairbairn, 1644, 1645, 1646; Mr. Houson, 1759.

RELATION OF PRICES—*Con.*
Transportation costs absorb producers profits—Mr. Light, 339.
Transportation rates, effect on prices—Mr. Edwards, 442, 447; Mr. Sissons, 502.
United Grain Growers decide not to manufacture farm machinery—Mr. Bradshaw, 1241, 1242.
United Grain Growers quit dealing in farm machinery—Mr. Bradshaw, 1242, 1243.
Urban vs. rural commodity prices—Mr. Hughes, 559.
Valuation of imports for duty, Act authorizing—Mr. Ward, 646, 672; Mr. Reid, 673.
Vender takes maximum profit—Mr. Sissons, 490.
Wages affected by tariff—Mr. Sparks, 871; Mr. Deachman, 931.
Wages, comparison of, in Canada and U.S. —Mr. Deachman, 925, 926.
Wages, comparison of, in different countries—Mr. Deachman, 927.
Wages, girls, in clothing factories—Mr. Sparks, 858.
Wages set by cost of living—Mr. Edwards, 445.
Watered stock in industries—Mr. Weaver, 1197, 1198.
Watered stock of companies injurious to producers and consumers—Mr. Sissons, 492, 493.
Wheat Board, farmers got world market price—Mr. Edwards, 445; Mr. Reid, 650.
Wheat, not paying—Mr. Grant, 362; Mr. Reid, 650.
Wheat, price paid producer in Manitoba—Mr. Grant, 358.
Wheat, price of in Chicago and Fort William—Mr. Reid, 650.
Wheat, price paid producer in Sask.—Mr. Edwards, 438; Mr. Reid, 650, 665.
Wheat, prices in Sask. 1913-1921—Mr. Edwards, 446; Mr. Hamilton, 1015.
Wheat vs. flour, price of—Mr. Watts, 283; Mr. Reid, 665.
Wholesale Grocers Association's objections to methods of Merchants Consolidated —Mr. Sly, 721 to 760; Mr. Benson, 897, 898, 903, 904, 905.
Wholesale vs. co-operatve method of distribution—Mr. Benson, 890, to 906.
Wholesale vs. retail prices—Mr. Fortier, 572; Mr. Swanson, 1456.
Wire fencing, price of—Mr. Amos, 675.
Women's Hose, price of—Mr. Bowman, 1150, 1151.
Wool vs. clothing, price of—Mr. Hamilton, 1018, 1019, 1023, 1030.
Wool, price of in B.C.—Mr. Hamilton, 1021.
Yield vs. value, of crops—Mr. Grant, 400.

RENT
Generally—Mr. Leitch, 92, 94, 95, 97, 99; See also "Farm Houses" and "Farm Buildings".

RESOLUTION
Saskatchewan Legislature—Mr. Hamilton, 1027.

RETAIL BUSINESS
Operating cost—Mr. Scripture, 304, 305.

ROOTS
Cattle, for beef—Mr. Barton, 109, 110.
Cost of producing—Mr. Leitch, 508, 509; Mr. Newman, 1629.
Price of—Mr. Leitch, 508, 509.
Profits in—Mr. Leitch, 510, 511.
Yield per acre—Mr. Leitch, 508, 509.

ROUTES
Cattle—Mr. Campbell, 77 to 79; Mr. Curry, 153; Mr. Light, 336; Mr. Fortin, 1772 to 1776.
Fruit—Mr. Bulman, 59.
Grain—Mr. Imrie, 1432 to 1439.

ROYAL COMMISSION
Grain trade; to inquire into—Pages 2 to 6, 13, 87 to 90; Mr. Grant, 402; Mr. Hamilton, 1037.
Injunction; possibility of—Pages 3, 87 to 89.
Legal status of—Pages 5, 87, 88.
Parliamentary Committee has greater powers than—Pages 3, 88.
Provinces interested—Pages 5, 88 to 90.

RURAL CREDITS
Abolition of interest—Mr. Bevington, 1081.
Abuses of Banking System—Mr. King, 978.
Accounting, farm, assists in obtaining loans—Mr. Newman, 1611, 1612.
Accumulation of debts in Western Canada—Mrs. McNaughton, 426, 430, 431; Mr. Edwards, 432, 436, 448; Mr. Sly, 742, 743; Mr. Hamilton, 1032, 1038, 1039, 1040, 1041; Mr. Fraser, 1349; Mr. Swanson, 1459.
Advance to agriculture by American Government—Mr. King, 936, 963, 966.
Advantages of Federal over Municipal system of credit—Mr. King, 971, 972.
Agenda—7, 421, 422, 541.
Agricultural banking system needed—Mr. King, 965.
Agricultural Credit Societies, formation and operation of—Mr. Bevington, 1067.
Agricultural conditions in U. S. in 1920—Mr. King, 956, 957.
Agricultural Development Board, Ontario, amount of loans and arrears—Mr. Farrow, 1285, 1286, 1292, 1293, 1295, 1311, 1316.
Agricultural Development Board, Ontario, cost of administration—Mr. Farrow, 1287.
Agricultural Development Board, Ontario, deals directly with farmer—Mr. Farrow, 1291.
Agricultural Development Board, Ontario, effect on interest rates—Mr. Farrow, 1306.

RURAL CREDITS—*Con.*

Agricultural Development Board, Ontario, interest rate on bonds and debentures—Mr. Farrow, 1287.
Agricultural Development Board, Ontario, loans on amortized plan only—Mr. Farrow, 1287.
Agricultural Development Board, Ontario, maximum loan—Mr. Farrow, 1296.
Agricultural Development Board, Ontario, origin and operation of—Mr. Farrow, 1285 to 1323.
Agricultural Development Board, Ontario, revenue—Mr. Farrow, 1323.
Agricultural Development Board, Ontario, source of funds—Mr. Farrow, 1286, 1287, 1295, 1310, 1322, 1323.
Agriculture, Department of, Sask., loans to farmers—Mr. Hamilton, 1042.
Agriculture in U. S. aided by War Finance Corporation—Mr. King, 936, 937, 963.
American Banking system not as flexible as Canadian—Mr. Grant, 418.
American Banking system, operation of—Mr. King, 927.
American Government advanced $500,000,000 to save agriculture—Mr. King, 936.
Amortization plan vs. straight mortgage, advantages of—Mr. Farrow, 1288, 1289.
Anderson-Lenroot Bill, Exhibit No. 87—Mr. King, 968.
Appraisal done by expert from Land Bank—Mr. King, 960.
Appraisal to be made by Agricultural Credit Society—Mr. Bevington, 1068.
Appraisal, comparison of, with resale price—Mr. Farrow, 1309.
Appraisal for loans, Agricultural Development Board—Mr. Farrow, 1290, 1298, 1299.
Appraisal, Manitoba Farm Loan Board—Mr. McNeil, 1329.
Appraisal, Saskatchewan Farm Loan Board—Mr. Fraser, 1341.
Arrears, Agricultural Development Board—Mr. Farrow, 1292, 1293, 1295, 1296, 1311, 1316.
Arrears, Manitoba Farm Loan Board—Mr. McNeil, 1327, 1328, 1329, 1334.
Arrears, Mutual Life Insurance Co.—Mr. Bowman, 1131, 1132, 1133, 1134, 1135.
Arrears, of interest added to mortgage principal—Mr. Bowman, 1131.
Arrears of interest not added to mortgage principal by Sask. Farm Loan Board—Mr. Fraser, 1344, 1345, 1364.
Arrears of taxes, Saskatchewan—Mr. Hamilton, 1030, 1031.
Artificial interference with flow of capital—Mr. McLean, 1158.
Assets liquid, essential to banks—Mr. King, 937, 957, 971, 972.
Assets, liquid and non-liquid, effect on loans—Mr. Williams, 844; Mr. King, 967.
Associations, (Federal Farm Loan System, U.S.) doing regular banking business—Mr. King, 960.

RURAL CREDITS—*Con.*

Association, Loan, underwrites all mortgages—Mr. King, 961.
Association purchasing stock from Government—Mr. King, 962.
Australia Farm Loan System, operation of—Mr. Ward, 1107, 1108, 1109.
Australian Farm Loan System, interest rate charged—Mr. Ward, 1108.
Banks aided by War Finance Corporation Mr. King, 937.
Bank Act vs. interest rates charged by banks—Mr. Reid, 653.
Bank Act, method of evading—Mr. Reid, 653, 654; Mr. Bevington, 1064, 1065.
Bank assets must be liquid—Mr. King, 937, 957, 971, 972.
Banks benefited by rural credit system—Mr. King, 977.
Banks, Canadian vs. American, currency issuing privileges—Mr. King, 970, 971.
Banks, Canadian, solvency of—Mr. Bevington, 1071.
Banks, Canadian, want their own notes in circulation—Mr. King, 973.
Banks, co-operation of in Federal farm loan system—Mr. McLean, 1159.
Banks, commercial, necessary for intermediate credit—Mr. King, 972.
Banks compound interest on farmers' loans—Mr. Reid, 653.
Banks, competition between—Mr. Williams, 842.
Banks control credit—Mr. King, 977, 978; Mr. Bevington, 1064, 1072, 1082; Mr. McLean, 1164.
Banks control monetary system—Mr. Bevington, 1082.
Bank deposits, amount of in Canada—Mr. Bevington, 1074, 1075.
Bank deposits, interest rate paid on—Mr. Reid, 650; Mr. McNeil, 1326.
Banks discriminating against farmers—Mr. Ste. Marie, 612, 613; Mr. King, 957.
Bank earnings, Weyburn Securities Bank—Mr. Hamilton, 1021.
Bank failures—Mr. Grant, 418; Mr. Hamilton, 1028.
Banks flooded with farmers' notes—Mr. King, 937.
Banks forcing sale of farm products in U.S.—Mr. King, 957.
Banks for intermediate credit for agricultural industry—Mr. King, 976.
Banks having subsidiary Trust or Loan Companies—Mr. McLean, 1160, 1161.
Banks loaning to farmers on security of grain held on farms—Mr. Jackman, 707.
Bank loans to farmers, interest rates charged on—Mr. King, 960.
Bank loans, reduction in, to Sask. municipalities—Mr. Hamilton, 1023, 1024.
Bank loans to Sask. municipalities not restricted—Mr. Hamilton, 1025.
Bank loans, long term, in Massachusetts, interest rates to farmers—Mr. King, 960.

RURAL CREDITS—*Con.*

Bank losses on farm loans in Saskatchewan —Mr. Williams, 842, 843.

Banks, multiplicity of, advantages and disadvantages—Mr. King, 974, 975.

Bank notes prior claim on Bank assets—Mr. King, 974.

Banks not discriminating against farmers—Mr. McLean, 1162, 1163.

Banks not furnishing intermediate credit to farmers—Mr. Farrow, 1316.

Banks, Peoples, saving institutions—Mr. Gagne, 1054; Mr. Farrow, 1287, 1311.

Banks uses for subsidiary Trust companies—Mr. McLean, 1161.

Banks willing to advance money on farm products in cold storage—Mr. Stonehouse, 597.

Banks willing to loan to farmers in fair security—Mr. Williams, 844; Mr. McLean, 1162, 1163.

Banking business conducted by local Association of Federal Farm Loan System —Mr. King, 960.

Banking system, American vs. Canadian—Mr. Grant, 418; Mr. King, 957, 974, 975.

Banking system Canadian origin and operation of—Mr. King, 974; Mr. Bevington, 1064, 1065, 1070, 1072, 1074, 1075, 1076.

Banking system, Canadian, in high repute —Mr. King, 974; Mr. Bevington, 1070.

Banking system, separate, for agricultural needs—Mr. King, 965.

Banking system, abuses of—Mr. King, 978.

Banking system, U.S., operation of—Mr. King, 927.

Banking system, Federal Reserve Banks—Mr. Grant, 418; Mr. King, 972, 977, 978.

Banking system operated by Provincial Government—Mr. Bevington, 1066.

Banking system, present, unsuitable for rural credit—Mr. King, 957, 965, 967, 972, 976; Mr. McLean, 1157, 1159, 1163, 1174.

Barren credit area, intermediate credit—Mr. King, 963, 967, 968; Mr. McLean, 1157, 1158; Mr. Farrow, 1316.

Basis of credit—Mr. King, 973, 974.

Belgian system of credit, operation of—Mr. Gagne, 1053.

Bonds and debentures of Land Banks, U.S., not taxable—Mr. Ste. Marie, 611; Mr. King, 959, 967; Mr. Ward, 1109; Mr. Farrow, 1310.

Bond denominations, Saskatchewan Farm Loan Board—Mr. Edwards, 440.

Bonds, municipal, held by Mutual Life Insurance Co.—Mr. Bowman, 1141.

Bonds, municipal and railway, interest rate on—Mr. Bowman, 1141.

Bonds, Provincial, for farm loans bought by farmers—Mr. Williams, 844; Mr. Hamilton, 1022; Mr. Ward, 1106; Mr. Fraser, 1365, 1366.

RURAL CREDITS—*Con.*

Bonds, rate of interest on, before and after war—Mr. Bowman, 1141.

Bonds, Sask. Farm Loan Board, amount purchased by farmers in 1922—Mr. Williams, 844; Mr. Hamilton, 1022; Mr. Ward, 1106; Mr. Fraser, 1365, 1366.

Bonds, Sask. Farm Loan Board, interest rate on—Mr. Hamilton, 1054; Mr. Ward, 1105; Mr. Farrow, 1287; Mr. Fraser, 1339; 1362, 1363.

Book-keeping by farmers valuable in obtaining loans—Mr. Newman, 1611, 1612.

Borrowers from association—Mr. King, 957.

Borrowers must take 5 per cent of stock of Bank—Mr. King, 958, 959.

Borrowing power of, Provinces vs. Dominion—Mr. Hamilton, 1058.

Canada only large agricultural country without system of rural credit—Mr. Edwards, 443.

Canada vs. other countries, interest rates charged farmers—Mr. Ste. Marie, 612.

Cash basis would obviate debt accumulation—Mr. Sly, 761.

Cash basis by retailers would obviate necessity of short term loans—Mr. Sly, 761.

Canadian Banking System in high repute—Mr. King, 974; Mr. Bevington, 1070.

Canadian Banking system unsuitable for rural credit—Mr. King, 957, 965, 972, 976; Mr. McLean, 1159.

Canadian credit, effect on, by departure from gold basis—Mr. King, 973.

Canadian currency in circulation—Mr. Bevington, 1074.

Capital, artificial interference with flow of—Mr. McLean, 1158.

Capital of Land Banks, origin of—Mr. King, 959, 976.

Cattle Associations for co-operative credit, formation and operation of—Mr. King, 976, 977.

Cause of bank losses on farm loans—Mr. Williams, 843.

Central Gold Reserve vs. Federal Gold Reserve—Mr. King, 973; Mr. Bevington, 1076.

Character of borrower affects interest rate —Mr. Ste. Marie, 612; Mr. McLean, 1163; Mr. Farrow, 1290; Mr. McNeil, 1337.

Collections by loan organizations—Mr. Bowman, 1144; Mr. Fraser, 1345, 1346, 1350, 1351.

Collection of taxes in rural municipalities, Sask.—Mr. Hamilton, 1023, 1024.

Commercial banks unsuitable for rural credit—Mr. King, 957.

Commercial banks necessary for intermediate credit—Mr. King, 972.

Competition between banks—Mr. Williams, 842.

RURAL CREDITS—*Con.*

Co-operative credit system in France—Mr. Gagne, 1051.
Co-operative credit, Cattle Association—Mr. King, 976, 977.
Cost of administration of farm loans—Mr. King, 960; Mr. Ward, 1111; Mr. Bowman, 1135; Mr. McLean, 1164; Mr. Farrow, 1287; Mr. McNeil, 1326, 1327, 1334; Mr. Fraser, 1339.
Cost of administration of Land Banks—Mr. King, 960.
Cost of loans, Canada vs. U. S.—Mr. Bevington, 1077, 1078.
Cost of placing farm mortgages—Mr. Williams, 844; Mr. Bowman, 1136, 1137; Mr. Farrow, 1288; Mr. Fraser, 1341, 1342.
Cost of renewing farm mortgages—Mr. Williams, 845; Mr. Bowman, 1137.
Creditors becoming landlords—Mr. Ward, 1100.
Credit advanced by Banks on farm products—Mr. Stonehouse, 597; Mr. Jackman, 707.
Credit, advantages of localizing—Mr. Farrow, 1321.
Credit, basis of—Mr. King, 973, 974.
Credit, by implement companies in West—Mr. Swanson, 1456.
Credit controlled by Banks, effect of—Mr. King, 957.
Credit, co-operative vs. state—Mr. Gagne, 1053.
Credit, cooperative, to producers associations—Mr. Grant, 417; Mr. Jackman, 706; Mr. King, 976, 977; Mr. Ward, 1110.
Credit, Co-operative Associations repayments to War Finance Corporation—Mr. King, 937.
Credit, co-operative, profitable to Government—Mr. King, 966, 972.
Credit, Co-operative system of—Mr. Gagne, 1051, 1053; Mr. Ward, 1110.
Credit, co-operative system in Quebec—Mr. Gagne, 1051, 1052, 1053.
Credit, co-operative organizations handicapped by tenancy—Mr. Ward, 1101.
Credit, co-operative vs. state system—Mr. Grant, 417; Mr. Gagne, 1053.
Credit of Government utilized for business—Mr. King, 971; Mr. Ward, 1113.
Credit, long term, in Denmark and Ireland—Mr. Ward, 1101, 1102, 1103.
Credit, long term, Federal Farm Loans Board—Mr. Reid, 652.
Credit, long term, interest rates, American vs. Canadian—Mr. Reid, 649, 650.
Credit, long term, in Ontario—Mr. Farrow, 1285.
Credit, long term in U. S., source of funds—Mr. Reid, 652.
Credit, long term in U. S.—Mr. Edwards, 444; Mr. King, 957, 958.
Credit, short term, Banks in West—Mr. Reid, 652, 653.

RURAL CREDITS—*Con.*

Credit, short term Bank loans—Mr. Reid, 653.
Credit, short term, Banks refused advances on security of grain held on farms—Mr. Reid, 653.
Credit, short term, interest rate charged by Banks—Mr. Stonehouse, 597; Mr. Reid, 650, 654; Mr. Pirie, 950; Mr. McNeil, 1326.
Credit, short term, Manitoba, operation of—Mr. McNeil, 1329.
Credit, short term, Ontario—Mr. Farrow, 1311, 1314, 1317, 1318, 1319.
Credit, short term, on warehouse receipts—Mr. Stonehouse, 597; Mr. Jackman, 707.
Credit, short term, to producers organizations—Mr. Grant, 417; Mr. Jackman, 706.
Credit societies under provincial authority should be incorporated—Mr. Bevington, 1067, 1068.
Credit Systems authorized in New Brunswick—Mr. Hamilton, 1058.
Credit systems, Federal vs. Municipal—Mr. King, 971, 972.
Credit systems, Federal vs. Provincial—Farrow, 1321.
Credit system, intermediate, operation of—Mr. King, 967, 975.
Credit system in Belgium, operation of—Mr. Gagne, 1053.
Credit system in France, co-operative—Mr. Gagne, 1051.
Credit system in Germany—Mr. Ste. Marie, 612.
Credit system, rural, in other countries—Mr. Edwards, 444; Mr. Ste. Marie, 612; Mr. Gagne, 1053; Mr. Bevington, 1079; Mr. Ward, 1101; 1102, 1103; Mr. Farrow, 1285.
Credit system in Quebec, co-operative—Mr. Gagne, 1051, 1052.
Credit system in Switzerland—Mr. Edward, 444.
Credit system in U.S.—Mr. Edwards, 444.
Credit system in U.S., Anderson-Lenroot Bill—Mr. King, 968.
Credit systems, present provincial vs. provincial bank and credit societies—Mr. Bevington, 1080.
Credit systems, provincial banks vs. Federal Farm Loan—Mr. Bevington, 1067, 1068, 1080, 1081.
Credit systems, Provincial Banks—Mr. Bevington, 1065 to 1083; Mr. McLean, 1158; Mr. Farrow, 1322.
Credit system proposed, Farm Mortgage Association—Mr. Swanson, 1460 to 1467. 1080, 1081.
Credit, easy, danger to farmers—Mr. Williams, 841, 842; Mr. Gagne, 1050, 1051; Mr. Bowman, 1117, 1143, 1144.
Credit, effect on marketing—Mr. King, 937.

RURAL CREDITS—*Con.*

Credit, effect on prices—Mr. King, 978; Mr. Neill, 1743.
Credit, effect of on price of farm products —Mr. King, 978; Mr. Neill, 1743.
Credit, extent of Government function—Mr. Grant, 416, 417.
Credit, esssentials necessary to obtain—Mr. Ste. Marie, 612; Mr. Swanson, 1456.
Credit extended by Banks to farmers vs. other industries—Mr. Ste. Marie, 612, 613; Mr. King, 957; Mr. McLean, 1162, 1163.
Credit, intermediate in U. S., furnished by War Finance Corporation—Mr. King, 937, 963, 965, 966.
Credit, intermediate in U. S., special banks for—Mr. King, 976.
Credit, lack of—Mr. Toupin, 449, 456; Mr. Ward, 1099, 1100.
Credit monopoly of by Banks—Mr. King, 969, 978; Mr. Bevington, 1064, 1072, 1082; Mr. McLean, 1164.
Credit of Land Banks pooled—Mr. King, 960.
Credit, National, and gold basis—Mr. King, 973.
Credit, need for—Mr. Edwards, 443, 444; Mr. Toupin, 449, 456; Mr. Pirie, 949, 950; Mr. King, 963, 965, 966; Mr. Ward, 1097, 1099, 1105; Mr. Farrow, 1285, 1305, 1306, 1308, 1316, 1317; Mr. Swanson, 1459.
Credit, normal vs. abnormal—Mr. Swanson, 1358.
Credit not for everyone—Mr. McNeil, 1330, 1331, 1333; Mr. Swanson, 1456.
Credit not granted in certain districts—Mr. Bowman, 1139, 1140.
Credit not used by farmers to best advantage—Mr. McLean, 1161.
Credit prevented glutting of market—Mr. King, 937.
Credit, security for—Mr. Grant, 416, 417; Mr. Edwards, 444; Mr. Williams, 841; Mr. King, 959, 961, 962, 974; Mr. Hamilton, 1058, 1059; Mr. Bevington, 1068, 1076; Mr. Ward, 1098, 1110; Mr. Farrow, 1290, 1295, 1312, 1313, 1318, 1319, 1320; Mr. McNeil, 1336, 1337, 1339.
Credit should be supplied from investment capital—Mr. King, 937, 971.
Credit supplied personnally by neighbours —Mr. Ste. Marie, 613; Mr. Farrow, 1307.
Credit to farmers, sources of—Mr. Ste. Marie, 613; Mr. Gagne, 1053; Mr. Swanson, 1459.
Credit too cheap not advantageous to farmers—Mr. Williams, 841, 842; Mr. Gagne, 1050, 1051; Mr. Bowman, 1117, 1143, 1144.
Credit Unions, co-operative credits—Mr. Gagne, 1051.
Credit Unions in Quebec, expansion of—Mr. Gagne, 1051.

RURAL CREDITS—*Con.*

Credit Unions in Quebec, failures of—Mr. Gagne, 1052, 1053.
Credit Unions in Quebec, interest rate charged by—Mr. Gagne, 1051.
Credit Unions in Quebec, operation of—Mr. Gagne, 1051, 1052.
Credit Unions of parishes should be consolidated into Provincial union—Mr. Gagne, 1052.
Credit Unions preferable to state credit—Mr. Gagne, 1053.
Credit Unions in Quebec regulated by law of Quebec Syndicates, 1905—Mr. Gagne, 1052.
Credit Unions in Quebec, source of funds—Mr. Gagne, 1051, 1052.
Crisis in U.S.—Mr. King, 957.
Crop insurance by Government—Mr. King, 979, 980.
Currency, amount of, in circulation in Canada—Mr. Bevington, 1074.
Currency famine in U.S., 1897—Mr. King, 977, 978.
Currency, farm products practically basis of—Mr. King, 969.
Currency, inflation of—Mr. Swanson, 1450, 1468, 1469.
Currency, issuing of—Mr. King, 969, 970, 971, 973, 974, 1058, 1059; Mr. Bevington, 1069, 1070, 1071, 1073, 1076; Mr. Swanson, 1450, 1470.
Currency issue to provinces by Federal Government on security of mortgages—Mr. King, 1058, 1059.
Currency, natural flow of—Mr. King, 978.
Currency, privilege of issuing, Canadian vs. American Banks—Mr. King, 970, 971.
Currency, stability of—Mr. King, 974; Mr. Swanson, 1468.
Danger of easy credit—Mr. Williams, 841, 842; Mr. Gagne, 1050, 1051; Mr. Bowman, 1117, 1143, 1141.
Debt accumulation of eliminated by retailers cash basis—Mr. Sly, 761.
Debt adjustment Bureau, Sask., operation of—Mrs. McNaughton, 426, 430, 431; Mr. Edwards, 432, 436; Mr. Hamilton, 1039, 1040, 1041.
Debts being paid by farmers—Mr. King, 962; Mr. Hamilton, 1020, 1021.
Debts of farmers, consolidation of—Mr. Swanson, 1459.
Debt of Sask. accumulated over a number of years—Mr. Edwards, 448; Mr. Hamilton, 1032, 1039, 1063; Mr. Fraser, 1349, 1367; Mr. Swanson, 1459.
Debt of farmers to retailers in Sask.—Mr. Hamilton, 1038.
Debts owing to merchants in Manitoba, Sask. and Alta.—Mr. Sly, 742, 743; Mr. Hamilton, 1038.
Debt per capita of Sask.—Mr. Edwards, 437, 444; Mr. Fraser, 1367.
Debentures, intermediate credit system, good demand for—Mr. King, 976.

RURAL CREDITS—*Con.*

Debentures of Land Banks in U.S., interest rate on—Mr. King, 959, 978; Mr. Farrow, 1310.

Debentures of Land Banks not guaranteed by Government—Mr. King, 959; Mr. Ward, 1109; Mr. Farrow, 1310.

Debentures of Land Bank exempt from taxation—Mr. Ste. Marie, 611; Mr. King, 959, 967; Mr. Ward, 1109; Mr. Farrow, 1310.

Debentures, Provincial vs. Bank—Mr. King, 1059.

Debentures, School, interest rate on—Mr. Bowman, 1119.

Debentures, Sask. Farm Loan Board on three months call—Mr. Hamilton, 1055, 1056; Mr. Ward, 1106.

Debentures of Sask. Farm Loan Board vs. U.S. Land Banks—Mr. Hamilton, 1040.

Deficit of Sask. 1922—Mr. Hamilton, 1063.

Demand deposits unsuitable for rural credits—Mr. King, 967; Mr. McLean, 1157, 1163, 1164.

Denmark, credit system in—Mr. Ward, 1101, 1102, 1103.

Department of Agriculture, Sask., loans to farmers—Mr. Hamilton, 1042.

Deposits in Canadian Banks—Mr. Bevington, 1074, 1075.

Deposits in Peoples banks for short and long term credit—Mr. Gagne, 1053.

Deposits in Ontario Savings Bank—Mr. Farrow, 1287, 1311.

Dominion Government to provide money for existing Provincial systems—Mr. Ward, 1112.

Dominion notes, issuing of, against approved security—Mr. King, 973.

European capital financing Live Stock Associations in U.S—Mr. King, 966.

Exports from U.S. financed by War Finance Corporation—Mr. King, 970.

Failures of Banks—Mr. Grant, 418; Mr. Hamilton, 1028.

Farm accounting, aid in obtaining loans—Mr. Newman, 1611, 1612.

Farmers Association (Federal Farm Loan System) underwrites mortgages—Mr. King, 961.

Farmers attitude towards Government Loans—Mr. Bowman, 1144; Mr. McNeil, 1335; Mr. Fraser, 1347, 1348, 1349, 1350, 1351; Mr. Swanson, 1463.

Farmers Banks, failure of—Mr. Grant, 418.

Farmers credit not pooled in Association, (American Farm Loan System)—Mr. King, 957, 961.

Farmers control Farm Loan System—Mr. King, 958, 959, 960, 976.

Farmers deal with Land Banks only through Local Associations—Mr. King, 961.

Farmers in Sask., financial condition of—Mr. Hamilton, 1020, 1021, 1022.

Farmers in U.S. aided by Land Banks—Mr. Grant, 417, 418.

RURAL CREDITS—*Con.*

Farmers vs. manufacturers, Government aid to—Mr. Bowman, 1144.

Farmers meeting their obligations—Mr. King, 962; Mr. Hamilton, 1020, 1021.

Farmers, North Dakota, glutted with products they could not sell—Mr. King, 937.

Farmers vs. other industries, interest rate charged to—Mr. Ward, 1097, 1098.

Farmers pleased with Federal Farm Loan System in U.S.—Mr. King, 973, 978; Mr. Ward, 1111.

Farmers' purchases of bonds of Sask. Farm Loan Board—Mr. Hamilton, 1022; Mr. Fraser, 1365, 1366.

Farm Loans, Sask, vs. U.S.—Mr. Hamilton, 1040.

Farm loans vs. city loans—Mr. Farrow, 1307, 1308.

Farm mortgages, Ontario, interest rate on—Mr. Amos, 680, 685, 686; Mr. Bowman, 1120, 1135; Mr. Farrow, 1287, 1306, 1307.

Farm Loans, interest rate on—Mr. Ste. Marie, 611; Mr. Hamilton, 1056; Mr. Bevington, 1077; Mr. Ward, 1097; Mr. Bowman, 1119, 1120, 1133, 1135; Mr. Farrow, 1306, 1307; Mr. McNeil, 1326.

Farm Loans Association purchasing stock from Government—Mr. King, 962.

Farm loans, Agricultural Development Board, arears of interest on—Mr. Farrow, 1292, 1293, 1295, 1296, 1311.

Farm Loans by Mutual Life Insurance Co., arears of interest—Mr. Bowman, 1131, to 1135.

Farm loans by Mutual Life Insurance Co. not granted in certain districts—Mr. Bowman, 1139, 1140.

Farm loans by Mutual Life Insurance Co. —Mr. Bowman, 1114, 1130 to 1135, 1139.

Farm Loans by mortgage companies not exceeding 50% of valuation by company —Mr. Ward, 1099.

Farm Loans, cost of administration—Mr. Bowman, 1135.

Farm Loan bonds, Sask., amount bought by farmers in 1922—Mr. Hamilton, 1022.

Farm Loans, safe investment—Mr. Ward, 1098, 1099; Mr. McLean, 1163.

Farm Loan System, Australia—Mr. Ward, 1107, 1108, 1109.

Farm Loan system, Federal vs. Provincial —Mr. Farrow, 1321.

Farm Loan system, Federal vs. Municipal—Mr. King, 971, 972

Farm Loans Act in New Brunswick authorizing municipalities to furnish credit—Mr. Hamilton, 1058.

Farm Loan Associations in Ontario—Mr. Farrow, 1315, 1316.

Farm Loan Associations, Ontario, amounts loaned and repaid—Mr. Farrow, 1316.

Farm Loan system, Ontario, See Agricultural Development Board—Mr. Farrow 1285.

RURAL CREDITS—*Con.*

Farm Loans system, short term, Ontario —Mr. Farrow, 1311.
Farm Loans system, long terms, Ontario —Mr. Farrow, 1285.
Farm Loans system, Sask. vs. U. S.—Mr. Hamilton, 1040.
Farm Loans system, Sask. Farm Loans Board—Mr. Fraser, 1338.
Farm Loans System, Manitoba Farm Loans Board—Mr. McNeil, 1325 to 1335.
Farm Loans System, New Zealand—Mr. Ward, 1108.
Farm machinery manufacturing companies, interest rate charged by—Mr. Bradshaw, 1256, 1281.
Farm Mortgage Association, proposed system—Mr. Swanson, 1460 to 1467.
Farm products prices affected by credit —Mr. King, 978.
Farm products as security for credit—Mr. Grant, 417; Mr. Stonehouse, 597; Mr. Jackman, 707.
Farm products practically the basis for currency—Mr. King, 969.
Farm Rural Credit Associations (Intermediate credit) to replace War Finance Corporation—Mr. King, 967, 968.
Farm tenancy increasing as result of lack of credit—Mr. Ward, 1099, 1100.
Federal Farm Loan Board, composition and operation of—Mr. Ward, 1110.
Federal Farm Loan System, U. S.; appraisal—Mr. King, 960.
Federal Farm Loan System, U. S., Associations doing regular banking business —Mr. King, 960.
Federal Farm Loan System, U. S., beneficial to Banks—Mr. King, 977.
Federal Farm Loan System controlled by farmers—Mr. King, 958, 960.
Federal Farm Loan System, U. S. operation of—Mr. Reid, 652; Mr. King, 957 to 962, 972, 975; Mr. Bevington, 1067, 1068; Mr. Ward, 1109, 1110, 1111, 1112; Mr. Farrow, 1310.
Federal Farm Loan System, opposition to—Mr. King, 962.
Federal Farm Loans, system suggested and operation of—Mr. Ward, 1112; Mr. McLean, 1159, 1160, 1164.
Federal Farm Loans System a success, farmers pleased with it—Mr. King, 963, 978; Mr. Ward, 1111.
Federal Farm Loans System, valuable features—Mr. Swanson, 1460.
Federal gold reserve and Central gold reserve—Mr. Bevington, 1076.
Federal Reserve Bank System, origin of and opposition to—Mr. King, 977, 978.
Federal vs. Municipal systems of rural credit—Mr. King, 971, 972.
Federal vs. Provincial borrowing power—Mr. Hamilton, 1058.

RURAL CREDITS—*Con.*

Fiat money or inflation non-existant in U. S. currency—Mr. King, 971.
Financial condition of farmers in Sask.—Mr. Hamilton, 1020, 1021, 1022.
Financial standing of rural municipalities in Sask.—Mr. Hamilton, 1024.
Fire insurance on farm buildings—Mr. Farrow, 1299 to 1305; Mr. McNeil, 1328.
Foreclosures by loan organizations—Mr. Hamilton, 1041, 1042; Mr. Bowman, 1136, 1144; Mr. Farrow, 1293, 1310; Mr. McNeil, 1331, 1332; Mr. Fraser, 1358, 1359.
Foreclosure method prevents loss to mortgage company—Mr. Ward, 1099.
Function of Government to establish credit—Mr. Grant, 416, 417; Mr. Hamilton, 1057; Mr. Bevington, 1068.
Funds insufficient, Sask. Farm Loans Board—Mr. Hamilton, 1057, 1058, 1059; Mr. Ward, 1103, 1106; Mr. Farrow, 1305; Mr. Fraser, 1339, 1347, 1351, 1362, 1365, 1367.
Funds of Manitoba Farm Loans Board—Mr. McNeil, 1335, 1336.
German system of credit, money for mortgages from Bank deposits—Mr. Grant, 418; Mr. Ste. Marie, 612.
German system of credits, rural deposits supply rural needs—Mr. Ste. Marie, 612.
German system of credits, heavy bank deposits cause low interest rates—Mr. Ste. Marie, 612.
German system of credits, interest rates charged farmers—Mr. Ste. Marie, 612; Mr. Gagné, 1051.
Gold basis, departure from—Mr. King, 973.
Gold held by U.S. Government in excess of all paper money issued—Mr. King, 970.
Gold reserve against currency—Mr. King, 970, 973.
Government aid to farmers through National Loan Association—Mr. King, 957; Mr. Ward, 1109, 1110.
Government aid to manufacturers vs. farmers—Mr. Bowman, 1144.
Government Bonds, effect of on rate of interest—Mr. Ste. Marie, 611; Mr. Amos, 685; Mr. Fraser, 1339, 1351.
Government Bonds, non taxable, issuing of bad principle—Mr. Ste. Marie, 611.
Government credit systems, Federal vs. Municipal—Mr. King, 971, 972.
Government credit for use of people—Mr. King, 971, Mr. Ward, 1113.
Government crop insurance—Mr. King, 979, 980.
Government function to establish credit—Mr. Grant, 416, 417; Mr. Hamilton, 1057; Mr. Bevington, 1068.
Government guarantee of bonds and debentures—Mr. Grant, 417; Mr. King,

RURAL CREDITS—*Con.*

959; Mr. Ward, 1109; Mr. Farrow, 1310.

Government guarantee of bonds of co-operative organizations—Mr. Grant, 417.

Government loans, farmers' attitude towards—Mr. Bowman, 1144; Mr. McNeil, 1335; Mr. Fraser, 1347, 1349; 1350, 1351; Mr. Swanson, 1463.

Government making money on loans to farmers' co-operative associations—Mr. King, 966, 972.

Government method of assisting farmers to obtain credit—Mr. Ward, 1110.

Guarantee of bonds by Government—Mr. Grant, 417; Mr. King, 959; Mr. Ward, 1109; Mr. Farrow, 1310.

Hail insurance paid for by Sask. Farm Loan Board—Mr. Hamilton, 1022, 1031; Mr. Fraser, 1346.

Industries affected by purchasing power of farmers—Mr. King, 957, 965.

Inflation of currency, effect of—Mr. King, 971; Mr. Swanson, 1450, 1468, 1469.

Insurance, Municipal Hail insurance of Sask.—Mr. Hamilton, 1022, 1031; Mr. Fraser, 1346.

Insurance, co-operative, Municipal Hail Insurance Association—Mr. Hamilton, 1055.

Insurance on Farm buildings protecting loans—Mr. Farrow, 1299, to 1305; Mr. McNeil, 1328.

Insurance, crop, by Government—Mr. King, 979, 980; Mr. Hamilton, 1055.

Intermediate credit, barren area—Mr. King, 963, 967, 968; Mr. McLean, 1157, 1158.

Intermediate credit debentures, good demand for—Mr. King, 976.

Intermediate credit for live stock formely supplied by European capital—Mr. King, 966.

Intermediate credit, necessity for—Mr. King, 963, 965, 966.

Intermediate Credit System known as Personal Farm Credits Department—Mr. King, 975.

Intermediate credit system, operation of—Mr. King, 967, 968, 975.

Interest, abolition of—Mr. Bevington, 1081.

Interest arrears on farm mortgages of Mutual Life Insurance Co.—Mr. Bowman, 1131 to 1135.

Interest earned by Land Banks in U.S.—Mr. King, 959, 976, 978.

Interest overdue, added to mortgage principal—Mr. Bowman, 1131.

Interest, rate of, affected by character of borrower—Mr. Ste. Marie, 612; Mr. McNeil, 1337.

Interest, rate of, affected by Government bonds—Mr. Ste. Marie, 611; Mr. Fraser, 1339.

Interest, rate of, affected by Manitoba Farm Loan Board—Mr. McNeil, 1331, 1332, 1334, 1336.

RURAL CREDITS—*Con.*

Interest, rate of, affected by Sask. Farm Loan Board—Mr. Fraser, 1352, 1362, 1365.

Interest, rate of, affected by security—Mr. McNeil, 1336, 1337.

Interest, rate of, Australian Farm Loan System—Mr. Ward, 1108.

Interest rate charged by Banks on advances against warehouse receipts—Mr. Stonehouse, 597.

Interest, rate of, charged by Banks exceeds rate permitted by Banks Act—Mr. Reid, 650, 653, 654.

Interest, rate of, charged by banks on short term loans—Mr. Reid, 650, 654; Mr. Pirie, 950; Mr. McNeil, 1326.

Interest, rate of, charged by Credit Unions in Quebec—Mr. Gagné, 1051.

Interest, rate of, charged by Sask. Farm Loan Board—Mr. Edwards, 440; Mr. Hamilton, 1054; Mr. Ward, 1104; Mr. Fraser, 1339.

Interest, rate of, charged by War Finance Corporation—Mr. King, 937.

Interest rates charged farmers on long term loans in Mass.—Mr. King, 960.

Interest, rate of, charged farmers vs. other industries—Mr. Ward, 1097, 1098.

Interest, rate of, charged on farm machinery—Mr. Bradshaw, 1256, 1282.

Interest, rate of, from Ontario Government—Mr. Ste. Marie, 613.

Interest, rate of, in Germany—Mr. Ste. Marie, 612; Mr. Gagne, 1051.

Interest, rate of, in Manitoba—Mr. Grant, 360, 365, 366, 379; Mr. McNeil, 1326, 1332.

Interest, rate of, in Quebec result of thrift of farmer—Mr. Ste. Marie, 612.

Interest, rate of, New Zealand Farm Loans System—Mr. Ward, 1108.

Interest, rate of, in Sask.—M. Edwards, 443, 444; Mr. Williams, 830, 841, 843, 844; Mr. Hamilton, 1054, 1056; Mr. Bevington, 1077; Mr. Bowman, 1133; Mr. Fraser, 1338, 1350, 1365; Mr. Swanson, 1450.

Interest, rate of, Sask. vs. Manitoba—Mr. McNeil, 1336.

Interest, rate of, in U.S. to farmers—Mr. Edwards, 444; Mr. King, 957, 958; Mr. Ward, 1113.

Interest, rate of, on farm mortgages—Mr. Ste. Marie, 611; Mr. Hamilton, 1056; Mr. Bevington, 1077; Mr. Ward, 1097; Mr. Bowman, 1119, 1120, 1133, 1135; Mr. Farrow, 1306, 1307; Mr. McNeil, 1326; Mr. Dewar, 1370.

Interest rate of, equal to all farmers in Federal Farm Loan system—Mr. Swanson, 1460.

Interest, rate of, from Manitoba Farm Loan Board—Mr. Ste. Marie, 611, 612, 613; Mr. Ward, 1106, 1107; Mr. McNeil, 1326; Mr. Swanson, 1460.

RURAL CREDITS—*Con.*

Interest, rate of, on bonds before and after war—Mr. Bowman, 1141.
Interest, rate of, on bonds and debentures of Ontario Agricultural Development Board—Mr. Farrow, 1287.
Interest, rate of, on bonds of Sask. Farm Loans Board—Mr. Edwards, 440; Mr. Hamilton, 1054; Mr. Ward, 1105; Mr. Fraser, 1339, 1362, 1363.
Interest, rate of, on deposits in Ontario Savings Bank—Mr. Farrow, 1287.
Interest, rate of, on farm mortgages in France and Germany vs. Canada—Mr. Ste. Marie, 612.
Interest, rate of, on farm mortgages in Ontario, 1914-1923—Mr. Amos, 680, 685, 686; Mr. Bowman, 1120, 1135; Mr. Farrow, 1287, 1306, 1307.
Interest, rate of, on farm mortgages affected by Ontario Agricultural Development Board—Mr. Farrow, 1306.
Interest, rate of, on Government Debentures, Sask. Farm Loans Board—Mr. Hamilton, 1054; Mr. Ward, 1105; Mr. Fraser, 1339, 1362, 1363.
Interest, rate of, on Land Bank Debentures in U.S.—Mr. King, 959, 978; Mr. Farrow, 1310.
Interest, rate of, on long term loans, American vs. Canadian—Mr. Reid, 649, 650, 651.
Interest, rate of, on municipal and railway bonds—Mr. Bowman, 1141.
Interest, rate of, on school debentures—Mr. Bowman, 1119.
Interest, rate of, on short term loans in Ontario—Mr. Farrow, 1312, 1313, 1317.
Interest, rate of, paid on deposits by Banks—Mr. Reid, 650; Mr. McNeil, 1356.
Interlocking Directorates of Banks and Trust companies—Mr. McLean, 1161.
Investment capital, proper source for rural credit funds—Mr. King, 937, 971.
Ireland, credit system in—Mr. Ward, 1101, 1102, 1103.
Issuing of currency—Mr. King, 969, 970, 973, 974, 1058, 1059; Mr. Bevington, 1069, 1070, 1071, 1073, 1076; Mr. Swanson, 1450, 1470.
Land Banks in U.S. aiding Farmer—Mr. Grant, 417, 418.
Land Bank, cost of administering—Mr. King, 960.
Land Banks deal only with association of Farmers—Mr. King, 961.
Land Banks, German system ideal—Mr. Grant, 418.
Land Banks, interest earned by—Mr. King, 959, 976, 978.
Land Banks liable for debentures of other Land Banks—Mr. King, 960.
Land Banks, origin of capital of—Mr. King, 959, 976.

RURAL CREDITS—*Con.*

Land Banks rediscount notes and mortgages—Mr. Grant, 418; Mr. King, 959, 967, 975, 976, 977.
Land Banks to be owned by farmers—Mr. King, 959, 960, 976.
Land Bank debentures exempt from taxation, Mr. King, 959, 967; Mr. Ward, 1109; Mr. Farrow, 1310.
Land Bank debentures, interest rate on—Mr. King, 959, 978; Mr. Farrow, 1310.
Land Bank debentures not guaranteed by Government—Mr. King, 959.
Land Bank debentures in U.S. sold through Post Offices—Mr. King, 959
Legal tender as not security—Mr. Bevington, 1076.
Liability limited in Association, (Federal Farm Loans System)—Mr. King, 957.
Limit of Government's function in supplying credit—Mr. Grant, 417.
Liquid assets essential to Banks—Mr. King, 937, 957, 971, 972.
Liquid and non-liquid assets, effect on loans—Mr. Williams, 844; Mr. King, 967.
Loans, amortization plan vs. straight mortgage—Mr. Farrow, 1288, 1289.
Loans and deposits essential to monetary system—Mr. Bevington, 1065, 1074.
Loans, amortization plan only, made by Farm Loans Board—Mr. Williams, 844.
Loans affected by character of borrower—Mr. Ste. Marie, 612; Mr. McLean, 1163; Mr. Farrow, 1290; Mr. McNeil, 1337.
Loans by Government of Sask. to Farmers—Mr. Hamilton, 1042.
Loans by Ontario Agricultural Development Board, amount of—Mr. Farrow, 1285, 1286, 1292, 1293, 1295, 1316.
Loans by Sask. Farm Loans Board, amount of—Mr. Edwards, 439, 440; Mr. Hamilton, 1054; Mr. Ward, 1103; Mr. Fraser, 1358.
Loans, city vs. farm—Mr. Farrow, 1307, 1308.
Loans, cost of in Canada vs. U.S.—Mr. Bevington, 1077, 1078.
Loans, difficulty of obtaining from Banks—Mr. Newman, 1611, 1612.
Loans, duration of in West—Mr. Williams, 844.
Loans, farm, Sask. vs. U.S.—Mr. Hamilton, 1040.
Loans, Federal Farm Loan System's for agricultural purposes only—Mr. King, 961.
Loans in Manitoba, amount of—Mr. Ward, 1104; Mr. McNeil, 1326, 1335.
Loans in Ontario, amount of—Mr. Amos, 683, 684; Mr. Farrow, 1285.
Loans in Ontario, applications for—Mr. Farrow, 1285, 1293.
Loans in Sask., applications for—Mr. Hamilton, 1056; Mr. Fraser, 1343.
Loans Limited to percentage of Land Value—Mr. King, 957; Mr. Ward, 1099;

RURAL CREDITS—*Con.*

Mr. Farrow, 1289, 1290; Mr. McNeil, 1325.

Loans, long term in U. S. on amortization plan—Mr. King, 957, 958.

Loans, long term, U.S. system controlled by farmers—Mr. Edwards, 444; Mr. King, 958.

Loans, Manitoba Farm Loans Board, percentage loaned to—Mr. McNeil, 1325.

Loans, short term, Ontario, interest rate on—Mr. Farrow, 1312, 1313, 1317.

Loan organizations, foreclosures by—Mr. Ward, 1099; Mr. Bowman, 1136, 1144; Mr. Farrow, 1293, 1310; Mr. McNeil, 1331, 1332; Mr. Fraser, 1359.

Loans, outside interference with—Mr. Farrow, 1294; Mr. McNeil, 1325.

Loans, purpose of—Mr. King, 962.

Loan rejections—Mr. Farrow, 1297; Mr. McNeil, 1330, 1332.

Loans, security for—Mr. Grant, 416, 417; Mr. Edwards, 444; Mr. Williams, 841; Mr. King, 959, 961, 962, 974; Mr. Hamilton, 1058, 1059; Mr. Bevington, 1068, 1076; Mr. Ward, 1098, 1110; Mr. Farrow, 1290, 1295, 1312, 1313, 1318, 1319, 1320; Mr. McNeil, 1336, 1337, 1339.

Loans, short term, Banks compound interest on renewals—Mr. Reid, 653.

Loans, short term, need for obviated by retailers cash basis—Mr. Sly, 761.

Loans, short term, purposes for—Mr. Farrow, 1313, 1314, 1317, 1318, 1319.

Loans to co-operative associations, by War Finance Corporation—Mr. King, 937, 963, 966.

Localization of credit, advantages of—Mr. Farrow, 1321.

Losses by Banks in Sask.—Mr. Williams, 843, 843.

Losses by Loan organizations—Mr. Farrow, 1294; Mr. McNeil, 1327; Mr. Fraser, 1339.

Manitoba Farm Loan Board, Act passed Mar. 9th, 1917—Mr. McNeil, 1325, 1332.

Manitoba Farm Loans Board, amount loaned—Mr. McNeil, 1326, 1335.

Manitoba Farm Loans Board, appraisal—Mr. McNeil, 1329.

Manitoba Farm Loans Board, arrears—Mr. McNeil, 1327, 1328, 1329, 1334.

Manitoba Farm Loans Board, class of borrowers—Mr. McNeil, 1330, 1331, 1333; Mr. Swanson, 1456.

Manitoba Farm Loans Board, collections—Mr. McNeil, 1327, 1328.

Manitoba Farm Loans Board, cost of administration—Mr. McNeil, 1326, 1327, 1334.

Manitoba Farm Loans Board, difficulties of—Mr. Bowman, 1144.

Manitoba Farm Loans Board, effect on interest rate—Mr. McNeil, 1331, 1332, 1334, 1336.

Manitoba Farm Loans Board, funds adequate—Mr. McNeil, 1335, 1336.

RURAL CREDITS—*Con.*

Manitoba Farm Loans Board, interest rate charged by—Mr. Ste. Marie, 611, 612, 613; Mr. Ward, 1106, 1107; Mr. McNeil, 1326; Mr. Swanson, 1460.

Manitoba Farm Loans Board, losses—Mr. McNeil, 1327.

Manitoba Farm Loans Board, maximum loan—1329.

Manitoba Farm Loans Board, number of loans—Mr. McNeil, 1328.

Manitoba Farm Loans Board, operation of—Mr. Ward, 1104, 1106, 1107; Mr. McNeil, 1325 to 1338.

Manitoba Farm Loans Board, profits—Mr. Ward, 1107; Mr. McNeil, 1326.

Manitoba Farm Loans Board, purpose of loans—Mr. McNeil, 1325, 1329, 1330, 1331, 1332.

Manitoba Farm Loans Board, rejections—Mr. McNeil, 1330, 1332.

Manitoba Farm Loans Board, source of funds—Mr. McNeil, 1329, 1332, 1333.

Market conditions make credit necessary—Mr. King, 937.

Marketing affected by credit—Mr. King, 937.

Maximum Loan of Provincial Systems—Mr. Farrow, 1296; Mr. McNeil, 1329; Mr. Fraser, 1347.

Manitoba, amount of mortgages outstanding—Mr. McNeil, 1335.

Manitoba, interest rate in—Mr. McNeil, 1332.

Manitoba vs. Sask., interest rates—Mr. McNeil, 1336.

Manitoba, moratorium detrimental to farmers—Mr. Bowman, 1144.

Manufacturers vs. farmers, Government aid to—Mr. Bowman, 1144.

Method of assisting farmers by providing credit—Mr. Grant, 416, 417.

Mis-use of credit by farmers—Mr. McLean, 1161.

Monetary system controlled by Banks—Mr. Bevington, 1082.

Monetary system, loans and deposits essential to—Mr. Bevington, 1065, 1074.

Money for farm mortgages affected by non-taxable Victory bonds—Mr. Ste. Marie, 611.

Money, natural flow of—Mr. King, 978.

Money, shortage of in U.S.—Mr. King, 977, 978.

Monopoly of credit by Banks—Mr. King, 978; Mr. Bevington, 1064, 1072, 1082; Mr. McLean, 1164.

Monopoly of credit in U. S. by Federal Reserve Banks—Mr. King, 978.

Monopoly of Federal Reserve Banks, farmers bound to break—Mr. King, 969.

Monopoly of credit in U. S. by private Banks—Mr. King, 977.

Moratorium, Manitoba, detrimental to farmers—Mr. Bowman, 1144.

Moratorium, Sask., Act empowering Governor in Council to declare—Mr. Hamilton, 1039, 1040, 1041.

RURAL CREDITS—*Con.*

Mortgage companies paying taxes to prevent sale of land for taxes—Mr. Hamilton 1057; Mr. Bowman, 1138, 1139.
Mortgages, cost of placing—Mr. Williams, 844; Mr. Bowman, 1136, 1137; Mr. Farrow, 1288; Mr. Fraser, 1341, 1342.
Mortgages, cost of renewing—Mr. Williams, 845; Mr. Bowman, 1137.
Mortgages, existing form of, increasing tenancy—Mr. Ward, 1101.
Mortgages, farm, interest rates on—Mr. Ste. Marie, 611; Mr. Hamilton, 1077; Mr. Ward, 1097; Mr. Bowman, 1119, 1120, 1133, 1135; Mr. Farrow, 1306, 1307; Mr. McNeil, 1326, 1332.
Mortgages in Manitoba, amount of—Mr. McNeil, 1335.
Mortgages in Manitoba, interest rate on—Mr. Grant, 360, 365, 366, 379; Mr. Ward, 1097; Mr. McNeil, 1326, 1332.
Mortgages in Ontario, amount of in 1914 and 1919—M. Amos, 683, 684.
Mortgages in Ontario, interest rate on—Mr. Amos, 680, 685, 686; Mr. Bowman, 1120, 1135; Mr. Farrow, 1287, 1306, 1307.
Mortgages in West, duration of—Mr. Williams, 844.
Multiplicity of banks, advantages and disadvantages—Mr. King, 874, 875.
Municipal credit, Sask. vs. Bank loans—Mr. Hamilton, 1025.
Municipal credit in Sask.—Mr. Hamilton, 1024.
Municipal Hail insurance association is organization of rural municipalities—Mr. Hamilton, 1055.
Mutual Life Insurance Co., farm loans—Mr. Bowman, 1114, 1130 to 1135, 1139.
National Laon Association composed of farmers—Mr. King, 958; Mr. Ward, 1109, 1110.
National Farm Loan Association stock carries double liability—Mr. Ward, 1109.
Need for credit at low interest—Mr. Edwards, 443, 444; Mr. Toupin, 449, 456; Mr. Pirie, 949, 950; Mr. King, 956, 957, 963, 965, 966; Mr. Ward, 1097, 1099, 1105; Mr. Farrow, 1285, 1305, 1306, 1308, 1316, 1317; Mr. Swanson, 1459.
New Banking system needed for agriculture—Mr. King, 965.
New Zealand Farm Loan System, operation of—Mr. Ward, 1108.
New Zealand Farm Loan System, interest rate charged—Mr. Ward, 1108.
Normal vs. abnormal credit—Mr. Swanson, 1358.
Notes of Bank have prior claim on assets—Mr. King, 974.
Notes, Dominion, issuing of against approved security—Mr. King, 973.
Notes, Federal Reserve Bank, gold and commodity basis—Mr. King, 969.
Notes and Mortgages of farmers not endorsed by Land Banks—Mr. King, 959.

RURAL CREDITS—*Con.*

Note redemption fund of Banks—Mr. King, 974; Mr. Bevington, 1076.
Notes, security of Dominion vs. Bank—Mr. King, 974.
Ontario Agricultural Development Board origin and operation of—Mr. Farrow, 1285 to 1323.
Ontario Farm Loans Act, operation of—Mr. Farrow, 1311 to 1318.
Ontario Farm Loans Act—1921—for short term credit—Mr. Farrow, 1311.
Ontario Government rate of interest—Mr. Ste. Marie, 613.
Ontario Savings Bank deposits, interest rate paid on—Mr. Farrow, 1287.
Opposition to Federal Farm Loan System—Mr. King, 962.
Peoples Banks merely savings institutions—Mr. Gagne, 1054.
Peoples Credit Unions preferable to state credit—Mr. Gagne, 1053.
Per capita taxes, Sask.—Mr. Hamilton, 1024; Mr. Farrow, 1365.
Percentage of farm value of loans—Mr. King, 957; Mr. Ward, 1099; Mr. Farrow, 1289, 1290; Mr. McNeil, 1325.
Personal Farm Credits Department, Intermediate credit, U.S.—Mr. King, 975.
Policy of Government guaranteeing bonds—Mr. Grant, 417.
Political interference with Government creditors—Mr. Farrow, 1294; Mr. McNeil, 1335.
Population of Sask.—Mr. Edwards, 443; Mr. Fraser, 1365, 1367.
Post Offices sell Land Bank debentures in U.S.—Mr. King, 959.
Provincial Bank and Credit Society, proposed operation of—Mr. Bevington, 1067 to 1076, 1080, 1081, 1083.
Provincial Bank and Credit Society vs. Federal Reserve system—Mr. Bevington, 1067, 1080, 1081.
Provincial vs. Bank Debentures—Mr. King, 1059.
Provincial Deposit Banks funds for long term loans—Mr. McLean, 1158; Mr. Farrow, 1322.
Provincial vs. Federal borrowing power—Mr. Hamilton, 1058.
Provincial Governments should become chartered banks—Mr. Bevington, 1066.
Provincial Government, Sask., loans to farmers—Mr. Hamilton, 1042.
Provincial Unions, for better distribution of credit—Mr. Gagne, 1052.
Provision of credit, Government function Mr. Grant, 416, 417; Mr. Hamilton, 1057; Mr. Bevington, 1068.
Purchasing power of farmers, affect on industries—Mr. King, 957, 965.
Purpose of loans, farm loans systems—Mr. King, 961, 962; Mr. McNeil, 1329, 1330, 1333, 1334; Mr. Fraser, 1338, 1343, 1368.

RURAL CREDITS—*Con.*

Rediscount of notes and mortgages by Land Banks—Mr. Grant, 418; Mr. King, 959, 967, 975, 977.

Rediscounting under Finance Act 1914 taken from American Federal Reserve Act—Mr. King, 972.

Reduction in Bank loans in Sask.—Mr. Hamilton, 1023, 1024.

Regional Banks modelled on Federal Reserve System—Mr. King, 957.

Rejections of loan applications—Mr. Farrow, 1297; Mr. McNeil, 1330, 1332.

Repayment of loans by Cattle-raisers Associations to War Finance Corporation—Mr. King, 937.

Revenue of Sask.—Mr. Hamilton, 1063.

Rural credit—Agenda, 7, 421, 422.

Rural Credit Societies, formation and operation of—Mr. Bevington, 1067.

Rural Credit system, aid to Banks—Mr. King, 977.

Rural Credit system, Canada, only large agricultural country without—Mr. Edwards, 443.

Sale through Post Offices of Land Bank Debentures—Mr. King, 959.

Savings deposits, amount received by Ontario Government Bank—Mr. Farrow, 1287, 1311.

Saskatchewan, current revenue of—Mr. Hamilton, 1063.

Saskatchewan, deficit last year—Mr. Hamilton, 1063.

Saskatchewan, debt per capita—Mr. Edwards, 437, 444; Mr. Fraser, 1367.

Saskatchewan, interest rate in—Mr. Edwards, 443, 444; Mr. Williams, 830, 841, 843, 844; Mr. Hamilton, 1054, 1056; Mr. Bevington, 1077; Mr. Bowman, 1133; Mr. Fraser, 1338, 1350, 1365; Mr. Swanson, 1459, 1460.

Saskatchewan vs. Manitoba, interest rates —Mr. McNeil, 1336.

Saskatchewan, Governor in Council empowered to declare moratorium—Mr. Hamilton, 1039, 1040, 1041.

Saskatchewan, population of—Mr. Edwards, 443; Mr. Fraser, 1365, 1367.

Saskatchewan Farm Loan Act-1917—Mr. Fraser, 1338, 1343, 1368.

Saskatchewan Farm Loan Board, amount of loans—Mr. Edwards, 439, 440; Mr. Hamilton, 1054; Mr. Ward, 1103; Mr. Fraser, 1358.

Saskatchewan Farm Loan Bonds, amount purchased by farmers in 1922—Mr. Williams, 844; Mr. Hamilton, 1022; Mr. Ward, 1106; Mr. Fraser, 1365, 1366.

Saskatchewan Farm Loan Board, appraisal—Mr. Fraser, 1341.

Saskatchewan Farm Loan Board, arrears—Mr. Fraser, 1344, 1345, 1364.

Saskatchewan Farm Loan Board, bond denominations—Mr. Edwards, 440.

Saskatchewan Farm Loan Board, collections—Mr. Bowman, 1144; Mr. Fraser, 1345, 1346, 1350, 1351.

RURAL CREDITS—*Con.*

Saskatchewan Farm Loan Board, composition of—Mr. Fraser, 1340.

Saskatchewan Farm Loan Board, cost of administration—Mr. Fraser, 1339.

Saskatchewan Farm Loan Board deals directly with farmer—Mr. Fraser, 1340.

Saskatchewan Farm Loan Board debentures on three months call—Mr. Hamilton, 1055, 1056; Mr. Ward, 1106.

Saskatchewan Farm Loan Board deficits would be paid by Government—Mr. Edwards, 440.

Saskatchewan Farm Loan Board effect on interest rate—Mr. Fraser, 1352, 1362, 1365.

Saskatchewan Farm Loan Board, hail insurance paid for—Mr. Hamilton, 1022, 1031; Mr. Fraser, 1346.

Saskatchewan Farm Loan Board, insufficient funds—Mr. Hamilton, 1057, 1058, 1059; Mr. Ward, 1103, 1106; Mr. Fraser, 1339, 1347, 1351, 1352, 1365, 1367.

Saskatchewan Farm Loan Board, interest arrears not added to loan—Mr. Fraser, 1344, 1345, 1364.

Saskatchewan Farm Loan Board, interest rate charged by—Mr. Edwards, 440; Mr. Hamilton, 1054; Mr. Ward, 1104; Mr. Fraser, 1339.

Saskatchewan Farm Loan Board loaning in all parts of Province—Mr. Fraser, 1362.

Saskatchewan Farm Loan Board, losses—Mr. Fraser, 1339.

Saskatchewan Farm Loan Board, Maximum Loan—Mr. Fraser, 1347.

Saskatchewan Farm Loan Board, number of loans—Mr. Fraser, 1343.

Saskatchewan Farm Loan Board, operation of—Mr. Edwards, 440; Mr. Williams, 844; Mr. Hamilton, 1054, 1055, 1056, 1057; Mr. Ward, 1103, 1104, 1105, 1106; Mr. Fraser, 1339 to 1365.

Saskatchewan Farm Loan Board operates on amortization plan only—Mr. Williams, 844; Mr. Hamilton, 1055; Mr. Ward, 1103, 1106.

Saskatchewan Farm Loan Board, percentage of value of loans—Mr. Fraser, 1341, 1342.

Saskatchewan Farm Loan Board, proportion of loans of Province held by—Mr. Fraser, 1367.

Saskatchewan Farm Loan Board, purpose of loans—Mr. Fraser, 1338, 1339, 1340, 1343, 1368.

Saskatchewan Farm Loan Board, profits —Mr. Ward, 1105; Mr. Fraser, 1339.

Saskatchewan Farm Loan Board reports and financial statement—Mr. Fraser, 1353 to 1360.

Saskatchewan Farm Loan Board, seed grain paid for—Mr. Fraser, 1346.

Saskatchewan Farm Loan Board, solvency of—Mr. Fraser, 1350.

Saskatchewan Farm Loan Board, source of funds—Mr. Hamilton, 1054. 1055,

RURAL CREDITS—*Con.*

1058, 1059; Mr. Ward, 1105, 1106; Mr. Fraser, 1339, 1351, 1352, 1362, 1363.
Saskatchewan Farm Loan Board, surplus—Mr. Fraser, 1361.
Saskatchewan Farm Loan Board, taxes paid for farmers—Mr. Fraser, 1346, 1347.
School debentures, interest rate on—Mr. Bowman, 1119.
Security for loans—Mr. Grant, 416, 417; Mr. Edwards, 444; Mr. Williams, 841; Mr. King, 959, 961, 962, 974; Mr. Hamilton, 1058, 1059; Mr. Bevington, 1068, 1076; Mr. Ward, 1098, 1110; Mr. Farrow, 1290, 1295, 1312, 1313, 1318, 1319, 1320; Mr. McNeil, 1336, 1337, 1339.
Security for loans affects interest rate—Mr. McNeil, 1336, 1337
Security, suitable—Mr. Grant, 416, 417; Mr. Edwards, 444; Mr. Ste. Marie, 612; Mr. Ward, 1098, 1099, 1112; Mr. McLean, 1163; Mr. Swanson, 1460.
Seed grain paid for by Sask. Farm Loan Board—Mr. Fraser, 1346.
Seizures by creditors—Mr. Hamilton, 1041, 1042; Mr. Bowman, 1136, 1144; Mr. Farrow, 1293, 1310; Mr. McNeil, 1331, 1332; Mr. Fraser, 1359.
Short term credit, defined—Mr. Farrow, 1311.
Short term credit, operation of—Mr. Reid, 652, 653; Mr. McNeil, 1329.
Solvency of Canadian Banks—Mr. Bevington, 1071.
Solvency of Sask. Farm Loans Board—Mr. Fraser, 1350.
Sources of credit to farmers—Mr. Ste. Marie, 613; Mr. Swanson, 1456, 1459.
Source of funds for farm loans—Mr. Reid, 652; Mr. Gagne, 1051, 1052, 1053; Mr. Hamilton, 1054, 1055, 1058, 1059; Mr. Ward, 1105, 1106; Mr. McNeil, 1329, 1332, 1333; Mr. Fraser, 1339, 1351, 1352, 1362, 1363.
Stability of currency—Mr. King, 974; Mr. Swanson, 1468.
Switzerland, credit system in—Mr. Edwards, 444.
Taxes, per capita, in Sask.—Mr. Fraser, 1365.
Taxes paid by mortgages companies to prevent sale of land—Mr. Hamilton, 1057; Mr. Bowman, 1138, 1139.
Taxes paid by Sask. Farm Loan Board—Mr. Fraser, 1346, 1347.
Tax arrears in Sask.—Mr. Hamilton, 1030, 1031.
Tax collections, rural municipalities, Sask.—Mr. Hamilton, 1023, 1024.
Tax, Provincial, per capita, in Sask.—Mr. Hamilton, 1024.
Tenacy handicap to co-operative Movements—Mr. Ward, 1101.
Tenacy increased by existing form of mortgages—Mr. Ward, 1101.
Tenants, people who become—Mr. Ward, 1100.

RURAL CREDITS—*Con.*

Terms of credit must be suitable—Mr. Grant, 416.
Thrift of farmers affects rate of interest—Mr. Ste. Marie, 612.
Trust companies subsidiary to Banks—Mr. McLean, 1160, 1161.
Unemployment in U.S. in 1920—Mr. King, 957.
United States Banking System—Mr. Grant, 418; Mr. King, 972, 977, 978.
United States Farm Loan System, interest rates charged—Mr. Edwards, 444; Mr. King, 957, 958; Mr. Ward, 1113.
Victory Bonds absorbed funds formerly used for farm mortgages—Mr. Ste. Marie, 611; Mr. Ward, 1106; Mr. Farrow, 1305; Mr. Fraser, 1351.
Victory Bonds non taxable, effect on Farm mortgages—Mr. Ste. Marie, 611; Mr. Amos, 685; Mr. Fraser, 1351.
War Finance Corporation advances to agricultural associations—Mr. King, 937, 963, 966.
War Finance Corporation, interest rates charged—Mr. King, 937, 966.
War Finance Corporation, origin of capital of—Mr. King, 970.
War Finance Corporation, purpose of, to aid American agriculture—Mr. King, 936, 937, 963.
War Finance Corporation, services rendered—Mr. King, 937, 963, 965, 966.
Weyburn Securities Bank, earnings—Mr Hamilton, 1021.

RURAL DEPOPULATION

Cause of—Mr. Grant, 375, 376, 398; Mr. Toupin, 450, 459, 460; Mr. Fortier, 567, 576; Mr. Ste. Marie, 620, 621; Mr. Spence, 798, 799, 802, 803; Mr. Deachman, 913, 914; Mr. Pirie, 948, 949, 954; Mr. Gagne, 1044, 1045. See also "Emigration."

RYE. See under "Grain."

ST. LAWRENCE

Cattle route—Mr. Campbell, 77 to 79; Mr. Curry, 153; Mr. Light, 336; Mr. Fortin, 1772 to 1776.
Grain route—Mr. Imrie, 1432 to 1436, 1439.

SASKATCHEWAN

Agricultural Societies—Mr. Williams, 817, 828, 832, 840, 841.
Cattle in—Mr. Hamilton, 1034.
Farms—Mr. Hamilton, 1006.
Indebtedness—Mr. Edwards, 437 to 440, 443, 444, 448; Mr. Williams, 827.
Mixed farming—Mr. Reid, 647, 648; Mr. Spence, 795, 796, 798, 808, 811; Mr. Williams, 831 to 833; Mr. Hamilton, 1035; Mr. Swanson, 1452, 1453, 1459.

SASKATCHEWAN—*Con.*
Poultry—Mr. Hamilton, 1034.
Resolution of Legislature—Mr. Hamilton, 1027.
Taxes—Mr. Grisdale, 29; Mr. Edwards, 436, 447; Mr. Williams, 824; Mr. Hamilton, 1023, 1024, 1026, 1030, 1031.

SCANDINAVIA
Fruit market—Mr. Taylor, 52; Mr. Bulman, 55; Mr. Scripture, 299.

SCHOOL TEACHERS
Salaries of country—Mr. Edwards, 447.

SCREENINGS
Wheat—Mr. Imrie, 1443; Mr. Blatchford, 1447.

SCRUBS
Cattle, dairy—Mr. Barton, 113 to 115; Mr. Cumming, 474, 475; Mr. Leitch, 538, 539; Mr. Ste. Marie, 608, 609, 621 to 624; Mr. Williams, 837; Mr. Gagne, 1044.

SEED
Potato, Government certified—Mr. Pirie, 959; Mr. Dewar, 1371 to 1379, 1384.
Wheat—Mr. Grant, 351, 361; Mr. Leitch, 507, 508; Mr. Reid, 655.

SELF SUSTAINING FARMS
See "Mixed Farms.'

SHEEP. See "Live Stock".

SHRINKAGE
Cattle in transportation—Mr. Somerville, 1546 to 1549; Mr. Fortin, 1773.

SHIPPING. See under "Transportation".

SILAGE
Cattle, beef—Mr. Barton, 109, 110.

SOCIAL STATUS
Farmers' families—Mr. Leitch, 97, 127; Mr. Grant, 359, 360, 365, 369 to 371, 376, 392 to 395, 397, 398; Mrs. McNaughton, 424 to 427; Mr. Toupin, 459; Mr. Leitch, 512, 515; Mr. Spence, 805, 808; Mr. Hamilton, 1032; Mr. Gagne, 1048, 1049; Mr. Dewar, 1376; See also "Standard of Living".

SOIL
Drifting—Mr. Williams, 832, 833.
Fertility—Mr. Hamilton, 1017, 1018; Mr. Gagne, 1044, 1048.

SOLDIER SETTLEMENT BOARD
Land payments—Mr. Hamilton, 1020, 1021, 1029, 1030.

SOUTH AFRICA
Fruit market—Mr. Taylor, 52; Mr. Bulman, 55; Mr. Scripture, 299, 310.

SOUTH AMERICA
Cattle competition—Mr. McLean, 232, 236.

SPECULATION
Land—Mr. Spence, 799, 804, 814; Mr. Williams, 838; Mr. King, 979; Mr. Bowman, 1116, 1117.

SPRAYING
Apple costs—Mr. Taylor, 47, 49; Mr. Scripture, 303; Mr. Cumming, 466; Mr. Leitch, 534; Mr. Fairbairn, 1640.
Fruit generally—Mr. Taylor, 49; Mr. Sissons, 496.

SPREAD
Apples prices—Mr. Bulman, 62; Mr. Scripture, 302 to 305, 310; Mr. Sissons, 500 to 502.
Fruit prices generally—Mr. Bulman, 62, 63.
Milk prices—Mr. Sissons, 492, 493; Mr. Henry, 543 to 545, 548, 549; Mr. Hughes, 553, 557, 558.

STANDARD OF LIVING
Western Canada—Mr. Grant, 419, 420; Mr. Hamilton, 1032; Mr. Bowman, 1121, 1142, 1145. See also "Social Status".

STANDARD SHIPPING CO.,
Shipping—Mr. Doherty, 163.

STANDARDIZATION
Farm Products—Mr. Hamilton, 1037.

STATISTICS
Grain Exchange—Mr. Grant, 401, 402.

STEERS. See under "Cattle" under "Live Stock".

STORAGE
Apples—Mr. Scripture, 307; Mr. Chase, 317 to 319, 327; Mr. Cumming, 468, 469; Mr. Sissons, 499.
Cold—See special heading.
Grain—Mr. Jackman, 707; Mr. Sly, 761; Mr. Spence, 814. See also "Elevators".
Potatoes—Mr. Nicholl, 159; Mr. Cunningham, 221, 222; Mr. Ledingham, 261, 262, 264; Mr. Pirie, 943, 946, 952; Mr. Dewar, 1376, 1382, 1383; Mr. Hatfield, 1391 to 1393, 1396 to 1401, 1403, 1407 to 1410, 1412, 1413; Mr. Estey, 1426, 1428.

STORE
Cattle must be shipped from Canadian ports—Mr. Grisdale, 21, 22; Mr. Campbell, 68, 69, 81, 84; Mr. Hammell, 470, 471.

STRAWBERRIES. See under "Fruit".

SUBSIDIES
Shipping—Mr. Cunningham, 222.

SUCCESS
Farming not a commercial—Mr. Barton, 124; Mr. Leitch, 127, 128, 139; Mr. Grant, 362, 374, 375, 394; Mr. Sissons, 504, 505; Mr. Leitch, 512, 513; Mr. Hamilton, 1029.
Mixed farming necessary for—Mr. Barton, 112, 113; Mr. Leitch, 139; Mr. Grant, 362, 378; Mr. Toupin, 456; Mr. Spence, 808, 809; Mr. Williams, 832, 833.
Production, more than, necessary for—Mr. Bulman, 54, 55; Mr. Leitch, 102, 103; Mr. Thompson, 292; Mr. Leitch, 514, 516; Mr. Spence, 810, 811, 813, 816; Mr. Williams, 822; Mr. Hamilton, 1034, 1035, 1059; Mr. Imrie, 1432; Mr. MacIntosh, 1784.

SUGAR
Beets—See special heading.
Cuba in potato steamers—Mr. Ledingham, 264; Mr. Pirie, 946, 947.
Ocean rate on—Mr. Cunningham, 203.
Rail rates on—Mr. Sutherland, 763, to 765.
Relative prices—See special heading.
Tariff preference on West Indies—Mr. Hatfield, 1417, 1418.

SUGAR BEETS
Agreement for sale of—Mr. Houson, 1755 to 1758, 1760, 1761; Mr. Dougherty, 1803; Mr. Houson, 1822, 1823.
Cost of producing—Mr. Houson, 1758, 1760; Mr. Dougherty, 1806, 1812.
Price of—Mr. Houson, 1759, 1760; Mr. Dougherty, 1802 to 1805, 1813 to 1815; Mr. Houson, 1820 to 1823, 1826, 1827.
Production—Mr. Houson, 1755, 1759.
Rail rates on—Mr. Houson, 1759.
Testing of—Mr. Dougherty, 1804, 1807 to 1810, 1812, 1814, 1815; Mr. Houson, 1816 to 1820.
Yield per acre—Mr. Houson, 1754, 1760; Mr. Dougherty, 1803, 1807.

SURVEYS
Agricultural—Mr. Leitch, 91, 92; Mr. Grant, 407; Mrs. McNaughton, 424; Mr. Toupin, 450, 457, 458; Mr. Leitch, 538; Mr. Ste. Marie, 602 to 606, 609; Mr. Spence, 797, 798; Mr. Williams, 817, 820, 821, 837; Mr. Hamilton, 1036, 1038; Mr. Gagne, 1046, 1047; Mr. Hamilton, 1059.
Methods used—Mr. Leitch, 101; Mr. Grant, 347, 357, 364, 383, 384; Mrs. McNaughton, 425, 427 to 430; Mr. Toupin, 458; Mr. Leitch, 538; Mr. Ste. Marie, 602 to 606, 609, 610.
Weakness of methods followed—Mr. Leitch, 94; Mr. Grant, 377, 407; Mrs. McNaughton, 428 to 430; Mr. Leitch, 538; Mr. Hamilton, 1016, 1036.

SWINE. See "Hogs" under "Live Stock".

SYSTEMS
Canadian marketing—Mr. Taylor, 47, 48; Mr. Curry, 145; Mr. Scripture, 301 to 305; Mr. Grant, 408, 410, 411; Mr. Sissons, 501 to 502.
Farm accounting—Mr. Leitch, 91, 94, 124, 125, 138; Mr. Grant, 362 to 364, 383 to 392; Mr. Williams, 821 to 823; Mr. Hamilton, 1017; Mr. Newman, 1586 to 1634; Mr. Fairbairn, 1652.
Tenant farming—Mr. Williams, 824 to 826.

TARIFF
British Preference—Mr. Sales, 626; Mr. Deachman, 924.
Cuban on potatoes—Mr. Chase, 324; Mr. Pirie, 952; Mr. Hatfield, 1417; Mr. Estey, 1425, 1427.
Cuban preference in United States—Mr. Hatfield, 1417, 1418.
Descriminates against farmers—Mr. Edwards, 442, 444, 445; Mr. Sissons, 506; Mr. Leitch, 535, 536; Mr. Fortier, 570, 571, 574, 575; Mr. Ward, 627; Mr. Jackman, 710; Mr. Hamilton, 1061.
Dumping—Mr. Taylor, 51, 52; Mr. Ward, 645, 646; Mr. Reid, 672, 673; Mr. Sly, 752; Mr. Weaver, 1201; Mr. Drummond, 1677.
Fertilizer—Mr. Pirie, 949; Mr. Hatfield, 1418, 1419; Mr. Fairbairn, 1658.
Fordney—Mr. Bulman, 68; Mr. McLean, 228 to 230, 234, 238, 251, 252; Mr. Fortier, 568 to 571, 574, 575; Mr. Williams, 839; Mr. Pirie, 943, 944; Mr. Dewar, 1379; Mr. Hatfield, 1417; Mr. Swanson, 1450, 1452.
Fruit—Mr. Bulman, 60.
Lamb, United States on—Mr. McLean, 251, 252.
Rebate of duty—Mr. Thompson, 290; Mr. Sissons, 504.
Reciprocity—Mr. Bulman, 63.
Sheep, effect on production of—Mr. Cumming, 485, 486.
Shipping, effect on—Mr. Cunningham, 224.
Underwood—Mr. McLean, 229.
Wheat, United States on—Mr. Thompson, 290; Mr. MacIntosh, 1782, 1783.
West Indies preference on sugar—Mr. Hatfield, 1417, 1418.

TAXES
Assessment for—Mr. Edwards, 433, 434; Mr. Reid, 658.
British Columbia—Mr. Bulman, 67, 70.
Collection of—Mr. Edwards, 437; Mr. Hamilton, 1023, 1024.
Income—Mr. Leitch, 96; Mr. Ward, 644; Mr. Spence, 812; Mr. Williams, 823.
Interest on—Mr. Edwards, 434, 439.
Land sales for—Mr. Edwards, 433 to 436; Mr. Reid, 670.

TAXES—*Con.*
Maine, U.S.A.—Mr. Pirie, 956.
Manitoba—Mr. Grant, 350, 351, 368, 379, 404.
New Brunswick—Mr. Pirie, 956.
Nova Scotia—Mr. Cumming, 473.
Ontario—Mr. Leitch, 96; Mr. Sissons, 503; Mr. Bradshaw, 1492; Mr. Fairbairn, 1642, 1661, 1662.
Prince Edward Island—Mr. Dewar, 1370, 1379, 1380.
Quebec—Mr. Fortier, 570, 573.
Sales—Mr. Taylor, 51; Mr. Cumming, 466, 467; Mr. Leitch, 535; Mr. Pirie, 949.
Saskatchewan—Mr. Grisdale, 29; Mr. Edwards, 436, 447; Mr. Williams, 824; Mr. Hamilton, 1023, 1024, 1026, 1030, 1031.
Single Tax Association—Pages 422, 423, 1914 to 1917.

TENANT
Farming system—Mr. Williams, 824 to 826.

THRESHING
Grain costs—Mr. Grant, 355, 356; Mr. Edwards, 447; Mr. Leitch, 507, 508, 518, 519; Mr. Reid, 655, 656; Mr. Amps, 674, 675; Mr. Williams, 824; Mr. Hamilton, 1026.

TOBACCO
Growing of—Mr. Ste. Marie, 604, 619, 620; Mr. King, 964; Mr. Hamilton, 1033; Mr. Trowern, 1559 to 1561.

TRACTORS
Versus hores—Mr. Grant, 360, 361.

TRADE
Government commissioners—Mr. Hatfield, 1416, 1417.
Grain—See "Royal Commission."

TRANSPORTATION
Beef, chilled—Mr. McLean, 237, 239.
Cattle, beef—Page 11; Mr. Grisdale, 27, 28; Mr. Arkell, 32; Mr. Campbell, 66, 70, 72, 84; Mr. Curry, 142 to 144; Mr. Light, 337; Mr. Somerville, 1546 to 1549; Mr. Fortin, 1773; See also 'Railway' and 'Shipping' under this heading.
Fruit—Mr. Taylor, 51; Mr. Scripture, 303; Mr. Sissons, 596; See also "Railway' under this heading.
Government assistance to—Mr. Watts, 270, 277; Mr. Chase, 318, 319.
Lake grain rates—Mr. Edwards, 446; Mr. Hamilton, 1037, 1060; Mr. Imrie, 1432 to 1434, 1438.
Railway apple rates—Mr. Scripture, 299 to 304, 308; Mr. Chase, 318, 319, 325 to 327; Mr. Cumming, 465, 466, 469, 470; Mr. Sissons, 501, 502.

TRANSPORTATION—*Con.*
Railway cattle transportation—Mr. Grisdale, 13, 15; Mr. Arkell, 32, 33, 35; Mr. Campbell, 65, 70, 84; Mr. Caldwell, 129; Mr. Light, 329, 334, 335, 337; Mr. Somerville, 1548; Mr. Fortin, 1773, 1775.
Railway facilities in Western Canada—Mr. Spence, 796, 797, 807, 808, 810 to 813; Mr. Imrie, 1444; Mr. Blatchford, 1445 to 1449.
Railway fertilizer rates—Mr. Cumming, 466, 467; Mr. Gagne, 1045, 1046; Mr. Dewar, 1373, 1374; Mr. Fairbairn, 1658.
Railway flour rates—Mr. Watts, 272 to 274, 276, 282, 286; Mr. Thompson, 295, 296; Mr. Watts, 298.
Railway fruit rates—Mr. Taylor, 51; Mr. Bulman, 61; Mr. Scripture, 299 to 302; Mr. Fairbairn, 1642 to 1651, 1656 to 1658.
Railway grain rates—Mr. Watts, 272, 273, 276, 281 to 283, 290; Mr. Thompson, 295, 296; Mr. Light, 336; Mr. Cumming, 475, 485; Mr. Reid, 650, 651; Mr. Hamilton, 1037; Mr. Imrie, 1433 to 1438, 1441; Mr. Blatchford, 1446 to 1448; Mr. Swanson, 1451, 1452.
Railway, Intercolonial—Mr. Cumming, 477, 478.
Railway lamb rates—Mr. Cumming, 484.
Railway, maple product rates—Mr. McMaster, 921, 922; Mr. Trowern, 1564, 1565.
Railway, Maritime Provinces rates—Mr. Caldwell, 129; Mr. Chase, 326, 327.
Railway, milk transportation—Mr. Leitch, 132; Mr. Sissons, 492, 494; Mr. Henry, 543, 544, 546; Mr. Hughes, 558, 559, 564 to 566.
Railway potato cars—Mr. Hatfield, 1419; Mr. Estey, 1429.
Railway potato rates—Mr. Chase, 318 to 320, 323, 324; Mr. Pirie, 951, 952; Mr. Hatfield, 1403, 1407, 1415, 1419; Mr. Estey, 1429, 1430.
Railway spur tracks (sidings)—Mr. Hatfield, 1420; Mr. Estey, 1426.
Railway sugar rates—Mr. Sutherland, 763 to 765.
Railway sugar beets rates—Mr. Houson, 1759.
Railways, water competition of—Mr. Edwards, 442.
Rates, cause of high—Mr. Leitch, 127; Mr. Curry, 143, 144, 153; Mr. Nicoll, 160; Mr. Deachman, 915, 916; Mr. Hamilton, 1060; Mr. Fairbairn, 1645.
Rates, disparity in—Mr. Watts, 270; Mr. Edwards, 442 to 444.
Rates for natural products—Mr. Bulman, 56, 58, 60, 61; Mr. Leitch, 126; Mr. Watts, 270, 276; Mr. Thompson, 295; Mr. Watts, 298; Mr. Edwards, 442, 443; Mr. Cumming, 477; Mr. Leitch, 514, 515; Mr. McMaster, 921; Mr. Swanson, 1449.

TRANSPORTATION—*Con.*

Shipping, agricultural implements ocean rates—Mr. Cunningham, 198 to 200.

Shipping, apples ocean rates—Mr. Curry, 145, 149; Mr. Nicoll, 156 to 158; Mr. Cunningham, 167, 168, 192, 209, 212 to 214; Mr. Scripture, 299, 301, 309; Mr. Chase, 312 to 317, 325 to 327; Mr. Cumming, 465; Mr. McMaster, 1004, 1005.

Shipping, Australia, ocean rates to—Mr. Thompson, 292.

Shipping—Barr Shipping Co.—Mr. Cornell, 178; Mr. Watts, 275.

Shipping, beef, ocean rates on—Mr. Curry, 149; Mr. Nicoll, 157; Mr. Cunningham, 167, 192, 239.

Shipping brokers—Mr. Curry, 150 to 152, 170, 171; Mr. Cornell, 173, 174; Mr. Cunningham, 204, 205, 207, 208, 224; Mr. Ledingham, 263, 269; Mr. Watts, 275; Mr. Motherwell, 328; Mr. Light, 338. See also "Brokers, cattle.

Shipping brokers commission—Mr. Curry, 150, 151; Mr. Cunningham, 204, 205, 207, 208, 224.

Shipping brokers, intimidation of—Mr. Chase, 316.

Shipping, butter, ocean rate on—Mr. Curry, 143, 145, 148, 149; Mr. Nicoll, 157; Mr. Doherty, 162, 163; Mr. Cunningham, 166, 167, 192 to 194.

Shipping, Canada Steamship Lines—Mr. Campbell, 73, 85; Mr. Curry, 143, 144, 149, 150; Mr. Doherty, 161 to 165; Mr. Cunningham, 189, 190; Mr. Ledingham, 266; Mr. Doherty, 542.

Shipping, Canadian Government, cereal industry protest to—Mr. Cunningham, 203.

Shipping, Canadian Government Mercantile Marine—Mr. Campbell, 72, 73, 79, 85; Mr. Curry, 143, 149, 150; Mr. Cunningham, 165 to 170, 178, 179, 183 to 226; Mr. Ledingham 263; Mr. Watts, 270, 272, 277; Mr. Thompson, 291, 292; Mr. Chase, 313; Mr. Motherwell, 328; Mr. Hamilton, 1060; Mr. Hatfield, 1412; Mr. Somerville, 1550.

Shipping, Canadian Pacific Lines—Mr. Campbell, 83, 85; Mr. Curry, 143, 149, 150; Mr. Cunningham, 190, 193, 194, 225; Mr. Ledingham, 261, 262, 266; Mr. Hatfields, 1413; Mr. Estey, 1422.

Shipping, Canadian ports, from—Mr. Grisdale, 22; Mr. Curry, 144 to 147; Mr. Nicoll, 160; Mr. Cunningham, 168, 185, 187, 191, 192, 198, 200, 201, 204, 205, 225; Mr. Ledingham, 261, 262, 266; Mr. Thompson, 296, 297; Mr. Scripture, 301; Mr. Light, 336; Mr. Prie, 945.

Shipping, cattle attendants—Mr. Light, 329, 331, 338.

Shipping, cattle mortality on board ship—Mr. Light, 330; Mr. Hawken, 341, 342; Mr. Somerville, 1546, 1549, 1550; Mr. Fortin, 1773, 1774.

Shipping, cattle ocean rate—Mr. Curry, 142 to 145, 151 to 153; Mr. Nicoll, 157, 160, 161; Mr. Cunningham, 167; Mr. Curry, 170 to 172; Mr. Cunningham, 204, 209 to 212, 217, 224; Mr. Light, 329, 331, 338; Mr. Hawken, 341; Mr. Somerville, 1546 to 1548; Mr. Fortin, 1774, 1775.

Shipping, cattle, ocean space for—Pages 4, 10, 11; Mr. Grisdale, 13; Mr. Arkell, 36; Mr. Campbell, 65, 66, 69 to 75, 78 to 80, 84; Mr. Curry, 142 to 148, 150 to 154; Mr. Nicoll, 160, 161; Mr. Cunningham, 168, 169; Mr. Curry, 171; Mr. Cunningham, 224, 225; Mr. Motherwell, 327; Mr. Hawken, 341; Mr. Robb, 372, 373; Mr. Fortin, 1776.

Shipping, cattle, ocean space definition—Mr. Arkell, 33; Mr. Campbell, 67; Mr. Light, 330; Mr. Hawken, 341, 342; Mr. Pinsonnault, 345.

Shipping, cattle ships, fittings of—Mr. Curry, 154; Mr Nicoll, 160; Mr. Doherty, 163; Mr. Cunningham, 168; Mr. Curry, 171, 214, 217; Mr. Light, 329 to 331; Mr. Hawken, 340 to 342; Mr. Pinsonnault, 342 to 346; Mr. Martel, 1087 to 1096. See also 'Cattle stalls', 'Ocean Space', 'Labour' under this heading.

Shipping, cattle ships, number of—Mr. Curry, 143, 145, 148, 152 to 154; Mr. Doherty, 163; Mr. Cunningham, 168; Mr. Curry, 171; Mr. Cunningham, 204, 217, 225.

Shipping, cattle stalls on ships—Mr. Campbell, 81, 82; Mr. Curry, 143, 154; Mr. Light, 329 to 331; Mr. Hawken, 340 to 342; Mr. Pinsonnault, 342 to 346; Mr. Martel, 1087 to 1096.

Shipping, cattle stalls, material in—Mr. Nicoll, 160; Mr. Hawken, 340 to 342; Mr. Pinsonnault 342 to 346.

Shipping, cattle, transportation of—Mr. Grisdale, 28, 29; Mr. Campbell, 65 to 67, 70, 73, 77 to 79, 81 to 85.

Shipping, cereals, ocean rate on—Mr. Cunningham, 203, 204.

Shipping, cheese, ocean rate on—Mr. Curry, 145, 149; Mr. Nicoll, 157; Mr. Doherty, 162, 163; Mr. Cunningham, 167, 193.

Shipping, cold storage steamers—Mr. Bulman, 59; Mr. Curry, 148; Mr. Cunningham, 192· Mr. McLean, 233.

Shipping combines—Mr. Campbell, 78, 79; Mr. Curry, 143; Mr. Nicoll, 156; Mr. Doherty, 162; Mr. Cunningham, 165, 166 168, 195, 224; Mr. Ledingham, 266; Mr. Watts, 269 to 272, 277, 278. See also "Conferences".

Shipping, commodities, ocean rate on—Mr. Cunningham, 183 to 188, 191, 193, 197, 201, 213, 215 to 217, 224.

TRANSPORTATION—*Con.*

Shipping competition avoided—Mr. Curry, 148, 149; Mr. Nicoll, 156; Mr. Doherty, 162 to 164; Mr. Cunningham, 195, 200 to 202.

Shipping, conferences, Canadian with New York—Mr. Curry, 145, 147, 148; Mr. Nicoll, 156 to 158; Mr. Cunningham, 167, 168, 183, 187 to 204, 208, 209, 212 to 215, 219 to 221; Mr. Watts, 272; Mr. Scripture, 301; Mr. Chase, 313, 314, Mr. Light, 336; Mr. McMaster, 1004, 1005.

Shipping conferences, Continental—Mr. Cunningham, 209.

Shipping conference, North Atlantic—Mr. Cunningham, 167 to 169, 183 to 205, 208 to 212, 216 to 224; Mr. Ledingham, 266, 267; Mr. Watts, 269, 272, 277; Mr. Chase, 313, 314, 316, 317.

Shipping conference, expenses of—Mr. Cunningham, 208, 219.

Shipping confercence, Pacific—Mr. Cunningham, 224.

Shipping conference, publicity given to meetings—Mr. Cunningham, 206, 207.

Shipping demand and supply, effect of—Mr. Curry, 152.

Shipping deviation, cost of—Mr. Campbell, 82, 83.

Shipping expenses—Mr. Nicoll, 161; Mr. Doherty, 162, 164, 165; Mr. Cunningham, 169, 222; Mr. Chase, 315; Mr. Light, 331; Mr. Hawken, 341; Mr. Pinsonnault, 343 to 346.

Shipping, flour, New York differential on—Mr. Curry, 146 to 148; Mr. Nicoll, 154, 155; Mr. Doherty, 161; Mr. Cunningham, 165; Mr. Cornell, 172 to 177, 178; Mr. Cunningham, 190, 191, 206, 215, 220, 221; Mr. Watts, 270, 272, 275, 277, 278; Mr. Thompson, 289.

Shipping, flour, ocean rate on—Mr. Curry, 143, 145 to 148; Mr. Doherty, 163; Mr. Cornell, 172 to 178; Mr. Cunningham, 185, 188, 190, 191, 196, 201, 203, 204, 206, 211 to 213, 215, 219 to 221; Mr. Watts, 269 to 272, 275, 276, 286; Mr. Thompson, 289, 292, 295; Mr. Watts, 298.

Shipping, forest products rates—Mr. Doherty, 162; Mr. Cunningham, 188, 189, 193 to 195, 201, 202, 214.

Shipping, fruit, ocean rate on canned—Mr. Curry, 145, 149; Mr. Nicoll, 157; Mr. Cunningham, 167.

Shipping, Furness-Whitby Lines—Mr. Campbell, 74 to 76, 79, 85; Mr. Curry, 144, 149, 150; Mr. Nicoll, 154 to 161; Mr. Cunningham, 189, 190, 193, 207, 221 to 223; Mr. Ledingham, 261; Mr. Chase, 324, 325; Mr. Hatfield, 1391 to 1393, 1409.

Shipping grain rates—Mr. Curry, 145; Mr. Doherty, 162, 163; Mr. Cornell, 174, 176 to 178; Mr. Cunningham, 188, 192, 193, 195 to 198, 201 to 204, 206, 210, 211 to 213, 224; Mr. Watts, 269 to 272, 275, 276, 286, 287, 289; Mr. Thompson, 292; Mr. Watts, 298; Mr. Swanson, 1451, 1452.

TRANSPORTATION—*Con.*

Shipping, Great Britain, cargos from—Mr. Curry, 154; Mr. Cunningham, 223, 224; Mr. Sales, 626; Mr. Imrie, 1441, 1442; Mr. Swanson, 1468.

Shipping, hops, ocean rate on—Mr. Cunningham, 200.

Shipping insurance—Mr. Cunningham, 223.

Shipping, Inter-continental Transport Service—See "Canada Steamship Lines".

Shipping, International Mercantile Marine—Mr. Nicoll, 157; Mr. Doherty, 164, 165; Mr. Curry, 169 to 171.

Shipping labour—Mr. Campbell, 81, 82; Mr. Nicoll, 160; Mr. Cunningham, 212; Mr. Light, 331; Mr. Pinsonnault, 345, 346; Mr. Martel, 1087 to 1096.

Shipping, leather, ocean rate on—Mr. Cunningham, 214, 215, 217; Mr. Thompson, 297.

Shipping losses—Mr. Curry, 147; Mr. Nicoll, 160; Mr. Doherty, 162, 163; Mr. Curry, 171, 172; Mr. Doherty, 176; Mr. Cunningham, 192, 200, 201, 203, 210, 212, 215, 217, 221, 223, 225; Mr. Ledingham, 263, 292.

Shipping, Lunham & Moore—Mr. Cornell, 173, 178.

Shipping, McLean-Kennedy Lines—Mr. Campbell, 85; Mr. Cunningham, 189, 190, 195.

Shipping, meats, ocean rate on canned—Mr. Curry, 149; Mr. Nicoll, 157.

Shipping, Munson Lines—Mr. Chase, 320.

Shipping, oatmeal, ocean rate on—Mr. Curry, 176.

Shipping, port for departure of cattle—Mr. Grisdale, 22; Mr. Campbell, 70, 74, 75, 77, 78; Mr. Curry, 152, 153, 171; Mr. Somerville, 1546 to 1550.

Shipping, port of discharge of cattle—Mr. Grisdale, 22, 24, 26; Mr Campbell, 71, 74, 82, 83; Mr. Light, 337; Mr. Somerville, 1550.

Shipping, potatoes, chartered steamers for—Mr. Cunningham, 221; Mr. Ledingham, 262, 264, 265, 268; Mr. Chase, 314, 315, 321; Mr. Pirie, 943, 944; Mr. Hatfield, 1393, 1395, 1396, 1398, 1399, 1411, 1414; Mr. Estey, 1420, 1422, 1423, 1426.

Shipping, potatoes, ocean rate on—Mr. Cunningham, 169, 221, 222; Mr. Ledingham, 262 to 268; Mr. Chase, 314, 315, 317, 319, 320, 322 to 324; Mr. Pirie, 952; Mr. Hatfield, 1396 to 1401, 1403, 1407, 1419, 1420; Mr. Estey, 1429.

Shipping, potatoes, steamers suitable for—Mr. Cunningham, 222, 223; Mr. Chase, 320.

Shipping, potatoes from United States ports—Mr. Ledingham, 261; Mr. Pirie, 944, 947; Mr. Hatfield, 1395, 1396, 1412 to 1414.

Shipping profits—Mr. Curry, 153, 176.

Shipping rates agreements—Mr. Curry, 143 to 150; Mr. Nicoll, 156, 157; Mr. Doherty, 162 to 164; Mr. Cunningham,

TRANSPORTATION—*Con.*
165 to 167, 183 to 205, 209, 214, 215, 223; See also "Conferences" under this heading.
Shipping rates coincidences—Mr. Curry, 143, 144.
Shipping rate cutting, complaints of—Mr. Cunningham, 217, 218.
Shipping rate maintenance—Mr. Curry, 143, 144, 146, 148 to 150; Mr. Nicoll, 156; Mr. Doherty, 162 to 164; Mr. Cunningham, 165 to 168, 184 to 192, 195 to 205, 208, 217, 218, 225; Mr. Thompson, 297.
Shipping rates reductions—Mr. Cunningham, 165 to 168, 185, 190, 192, 196, 198, 200, 201, 203, 204, 212 to 215, 218, 219, 225; Mr. Watts, 271, 272; Mr. Chase, 314, 315.
Shipping rates, tariff of—Mr. Cunningham, 166 to 169; 183 to 202, 215, 217, 218; Mr. Ledingham, 267.
Shipping, Reardon, Smith Line—Mr. Doherty, 162; Mr. Cornell, 173, 178; Mr. Chase, 315, 316.
Shipping, Reford Lines—Mr. Campbell, 71, 74, 79, 85, 86; Mr. Curry, 143, 144, 150; Mr. Doherty, 164; Mr. Cunningham, 189, 190, 193, 225; Mr. Ledingham, 266; Mr. Watts, 272; Mr. Motherwell, 328.
Shipping master's fees—Mr. Cunningham, 204, 205.
Shipping space, method of letting—Mr. Curry, 150 to 152; Mr. Ledingham, 263.
Shipping Standard Shipping Co.—Mr. Doherty, 163.
Shipping subsidies—Mr. Cunningham, 222.
Shipping, sugar cargoes from Cuba—Mr. Ledingham, 264, Mr. Pirie, 946, 947. See also "Relative Prices".
Shipping, sugar, ocean rate on—Mr. Cunningham, 203; See also "Relative Prices".
Shipping, tariff, effect of customs—Mr. Cunningham, 224.
Shipping, tramp steamer competition—Mr. Nicoll, 159; Mr. Doherty, 162; Mr. Cunningham, 168, 192, 195, 201, 202; Mr. Ledingham, 262, 268; Mr. Chase, 314 to 317.
Shipping, United Fruit Line—Mr. Chase, 320.
Shipping, United States Shipping Board—Mr. Doherty, 162, 195; Mr. Cunningham, 203, 213, 216; Mr. Watts, 272, 275, 277.
Shipping, vegetables, ocean rates on—Mr. Curry, 145; Mr. Nicoll, 157; Mr. Cunningham, 167.
Shipping, White Star-Dominion Lines—Mr. Campbell, 71, 74, 79, 80, 82, 84 to 86; Mr. Curry, 142 to 154; Mr. Nicoll, 157; Mr. Doherty, 165; Mr. Curry, 169 to 172;Mr. Cunningham, 189, 190, 193, 225.

TURKEYS
See under "Poultry".

TWINE
Binder—Mr. Grant, 355; Mr. Leitch, 507, 508; Mr. Reid, 655; Mr. Hamilton, 1026.

UNDERWOOD TARIFF
Effect of—Mr. McLean, 229.

UNITED FRUIT COMPANY
Shipping line—Mr. Chase 320.

UNITED STATES
Canadian agricultural conditions contrasted—Mr. Deachman, 914.
Cattle competition of—Mr. Campbell, 69, 70, 77, 78; Mr. Curry, 151, 153; Mr. Cunningham, 225; Mr. McLean, 232, 233, 235; Mr. Light, 334, 335.
Cattle market—Mr. Campbell, 68; Mr. McLean, 228 to 230, 232 to 235, 238, 334; Mr. Williams, 839, 840.
Egg market—Mr. McLean, 254; Mr. Grant, 411, 412.
Flour competition—Mr. Cornell, 174 to 176; Mr. Watts, 278, 279; Mr. Thompson, 289, 290, 295; Mr. Watts, 299.
Flour from Canadian wheat—Mr. Cornell, 175; Mr. Thompson, 289, 290.
Flour market—Mr. Watts, 278, 279.
Fruit competition—Mr. Taylor, 43, 51, 52.
Fruit market—Mr. Taylor, 52, 53; Mr. Bulman, 56, 60, 61.
Government aid to marketing—Mr. Grant, 408.
Grain competition—Mr. Cunningham, 196; Mr. Imrie, 1442.
Grain market—Mr. Imrie, 1436; Mr. MacIntosh, 1783.
Grain route—Mr. Imrie, 1435, 1436.
Hogs packed in Canada—Mr. McLean, 250.
Lamb duty—Mr. McLean, 251, 252.
Live stock market—Mr. Deachman, 928, 929; Mr. Swanson, 1452.
Potato competition—Mr. Chase, 324; Mr. Pirie, 948; Mr. Hatfield, 1411; Mr. Estey, 1422.
Potato market—Mr. Cunninham, 169; Mr. Cumming, 478; Mr. Pirie, 943, 944, 947; Mr. Dewar, 1377 to 1379, 1382; Mr. Hatfield, 1413; Mr. Estey, 1425, 1428.
Potatoes shipped throught ports of—Mr. Ledingham, 261; Mr. Pirie, 944, 947; Mr. Hatfield, 1395, 1396, 1412 to 1414.
Shipping Board—Mr. Doherty, 162, 195; Mr. Cunningham, 203, 213, 216; Mr. Watts, 272, 275, 277.
Tariff—Mr. Bulman, 63, 68; Mr. McLean, 228 to 230, 234, 238, 251, 252; Mr. Thompson, 290; Mr. Cumming, 485, 486; Mr. Fortier, 568 to 571, 574, 575; Mr. Williams, 839; Mr. Pirie, 943, 944; Mr. Dewar, 1379; Mr. Hatfield, 1417; Mr. Swanson, 1450, 1452; Mr. MacIntosh, 1782, 1783.
Tariff preference to Cuba—Mr. Hatfield, 1417, 1418.
Taxes in Maine—Mr. Pirie, 956.
Wheat, duty on—Mr. Thompson, 290; Mr MacIntosh, 1782, 1783.

URBAN LIFE
Rural life contrasted with—Mr. Leitch, 513 to 515.

VACATIONS
California—Mr. Grant, 405.

VEGETABLES
Canners' combine—Mr. Sissons, 491.
Canning industry—Mr Sissons, 488 to 490.
Cost of producing—Mr. Sissons, 488 to 490.
Ocean freight on canned—Mr. Curry, 145; Mr. Nicoll, 157; Mr. Cunningham, 167.
Price of—Mr. Sissons, 488 to 492.

VETERINARIANS
Cattle, en route—Mr. Grisdale, 17, 18.

WATER
Farm—Mrs. McNaughton, 424, 425; Mr. Hamilton, 1034.

WEEDS
Noxious—Mr. Grant, 380 to 383; Mr. Williams, 827, 832.

WEST INDIES
Potato market—Mr. Hatfield, 1417.
Sugar, preferential tariff—Mr. Hatfield, 1417, 1418.

WHARFAGE
Cattle—Mr. Cunningham, 204, 205; Mr. Light, 338.
Sheep—Mr. Cunningham, 204, 205.

WHEAT
See under "Grain".

WHITE STAR DOMINION
Shipping Line—Mr. Campbell, 71, 74, 79, 80, 82, 84 to 86; Mr. Curry, 142 to 154; Mr. Nicoll, 157; Mr. Doherty, 165; Mr. Curry, 169 to 172; Mr. Cunningham, 189, 190, 193, 225.

WIVES
Farmers—Mr. Leitch, 97, 100, 101; Mr. Grant, 370, 371, 392, 393, 406; Mr. McNaughton, 424 to 428, 430; Mr. Williams, 827; Mr. Dewar, 1376.

WOOL
See 'Sheep' under "Live Stock".


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